

Prevention Plan for Risks of Corruption and Related Offences

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dstgroup

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Message from the Chairperson

At the dstgroup we like to conduct good business and maintain optimal relationships with all our stakeholders. To do this, it is essential to always keep in mind a set of strong principles that guide us in our professional relationships. It is part of our strategic vision to promote and nurture this ethical and socially responsible management.

Our corporate values, principles, practices and attitudes are based on the rigor and transparency we develop in all our interactions. It is our intention to encourage all our partners to share this sustainable development-orientated culture with us.

This Plan is seen as an opportunity for internal reflection to improve existing practices. It is a document that incorporates a risk management methodology and will involve a special effort to implement and constantly update. The challenge we face is to make this known and incentivize all our employees, especially those in leadership positions, so they identify with our thinking and our plan and become active agents in this risk

prevention process. The same effort of publicizing and raising awareness will be undertaken with all those who work with us, whether as suppliers, service providers or subcontractors.

The importance of strengthening existing internal control mechanisms, focused on the issue of preventing risks of corruption and related offences, as well as strengthening the skills of all employees in this area became clear. Increased dissemination of existing principles and rules and the adoption of measures to raise awareness of the issue of corruption and risk prevention are key to achieving this goal.

José Teixeira

Chairperson of the Board of Directors



Introduction

On December 9, 2021, Decree-Law no. 109-E/2021 was published in the Official Gazette (*Diário da República*) creating the National Anti-Corruption Mechanism (“MENAC”) which approves the General Regime for the Prevention of Corruption (“RGPC”). Through the creation of MENAC and the RGPC, the Decree-Law seeks to prevent, detect, repress and sanction acts of corruption and related offences. In this regard, entities covered by the RGPC must adopt and implement a regulatory compliance program, which must include a Plan for the Prevention of Risks of Corruption and Related Offences (“PPR” or “Plan”), a code of ethics and conduct, a whistleblowing channel and a training plan.

This Plan therefore seeks to fulfil the obligations laid down in the RGPC, as well as promote a culture of integrity and transparency that we have cherished since our creation. The PPR is the result of an extensive analysis of our entire organization, in which the risks in each area of activity have been identified, as well as the preventive and corrective measures to mitigate these risks.

The dstgroup

We are, intensely, under construction. We build passions, we build ideas and we build culture. Because culture is not the reductive expression of a people, of a way of being. Culture is that people, culture is identity, culture is constant construction. It is not easy to define what a soul is made of or listen to what our heart says, but in this group, we are what we do. A culture of construction that builds culture.



Meditation Spot, by Nuno Capa

The **dstgroup** was founded in Braga in the 1940s (Domingos da Silva Teixeira) and its origins lay in the construction sector, but nowadays it is also a leading player in the Environment, Renewable Energies, Telecommunications, Ventures and Real Estate areas with a presence in seven countries - Portugal, Angola, France, the United Kingdom, Belgium, the Netherlands and Monaco.

We are divided into six main areas of activity:

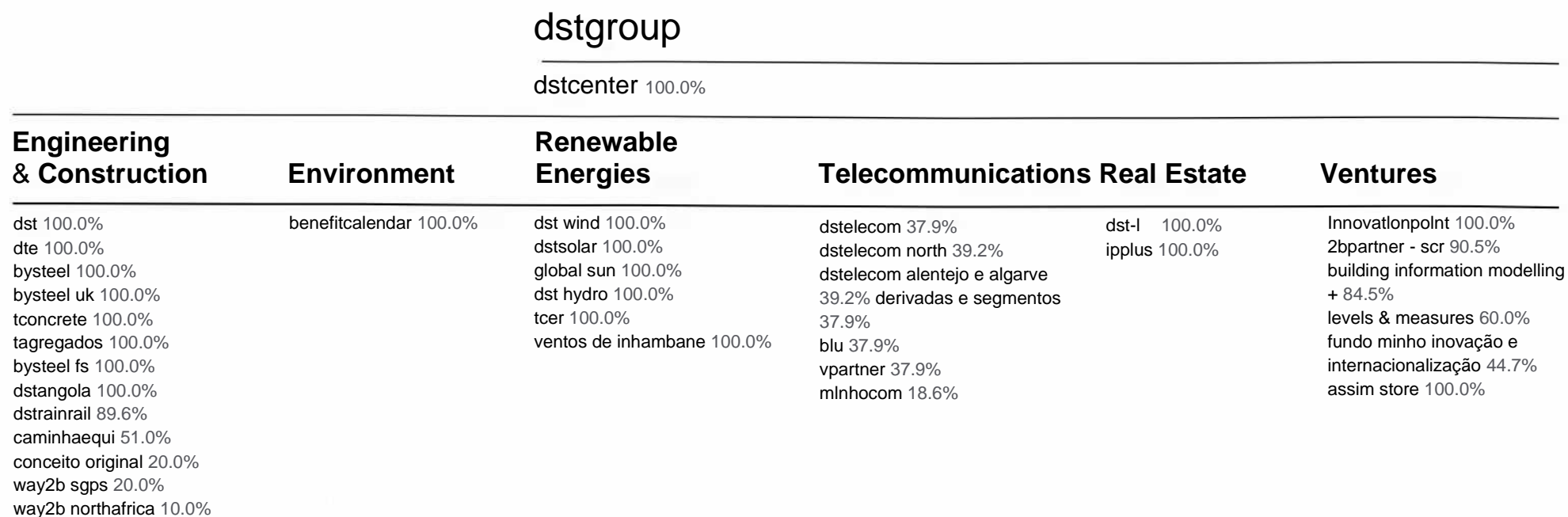
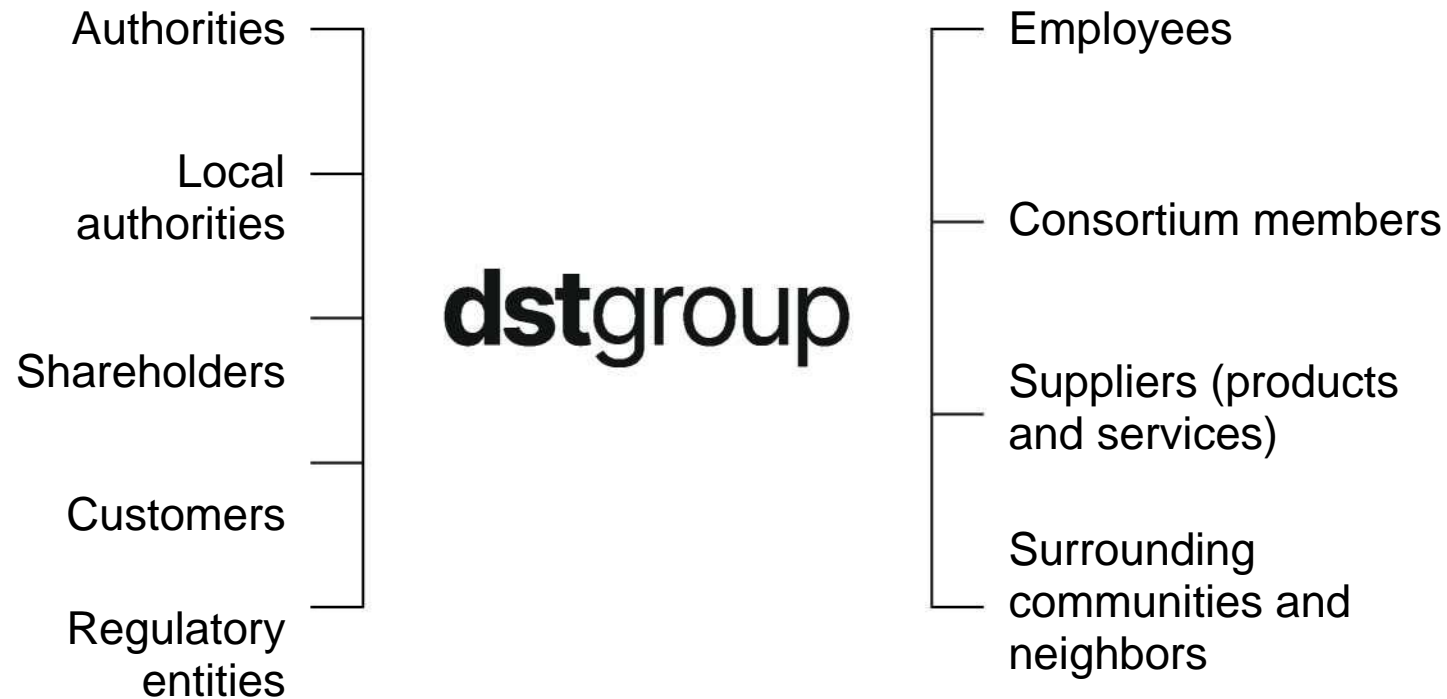


Fig. 1 - dstgroup organizational chart

Relations with interested parties

Interested parties are all the elements that in some way affect or are affected by the organization.



Prevention Plan for the Risk of Corruption and Related Offences

Scope of application

For the purposes of the RGPC, corruption and related offences are defined as the crimes set out in the Penal Code for (i) corruption, (ii) undue receipt and offering of an advantage, (iii) embezzlement, (iv) economic participation in business, (v) extortion, (vi) abuse of power, (vii) prevarication, (viii) influence peddling and (ix) money laundering or fraud in obtaining or misappropriating a subsidy, grant or credit.

The RGPC applies to legal persons with registered offices in Portugal that employ 50 or more workers and to branches in Portugal of legal persons with registered offices abroad that employ 50 or more workers.

Considering this scope, we have identified the following entities as being covered by the RGPC:

- dst, s.a.
- dte, s.a.
- dstsolar, s.a.
- bysteel, s.a.
- bysteel fs, s.a.
- dstelecom, s.a.
- dstcenter, s.a.
- dstrainrail. s.a.
- fiber t, s.a.

Objectives of the PPR

By implementing this plan we seek to:

- Identify, analyze and classify the risks of acts of corruption and related offences to which we are exposed;
 - Identify and implement preventive and corrective measures;
 - Strengthen our reputation;
 - Raise awareness and the training of workers;
 - Obtain more trust from interested parties.
- Size of the business and geographical area of operation;
 - The context in which the business operates;
 - Structure of the shareholdings of the organizations involved;
 - Organizational structure;
 - Number of people and third parties involved working in the business;
 - Relations with the public administration.

Implementing the PPR

At the dstgroup, the person responsible for regulatory compliance is Dra. Susana Braga, designated as the Manager of the Plan for the Prevention of Corruption and Related Offences, who will guarantee and control the application of the regulatory compliance program in the various entities mentioned in chapter 4.1 and who conducts her duties independently, permanently and with decision-making autonomy.

The methodology used to identify risks and specify actions is supported through the identification of risks, their qualitative assessment and the definition of preventive measures to be implemented.

In this context, we define:

RISK as a future event, situation or circumstance with a probability of occurrence and a potential positive or negative consequence on the achievement of an organizational unit's objectives. In other words, risks correspond to "facts, the probability of occurrence and respective seriousness of the consequences of which constitute management risks, including risks of corruption and those of a similar nature."

Risk management and assessment methodology

As with any other organization, we are subject to risks from the most diverse sources. These risks can be strategic, regulatory, operational, financial, technological, social or environmental in nature.

They must be properly assessed and dealt with by management. It is up to managers to consistently

RISK MANAGEMENT is the process by which organizations methodically analyze the risks inherent to their activities, with the aim of achieving a sustained advantage in each individual activity and in all activities as a whole.

Risk management involves diligent action in several phases, namely:

- Identifying and defining the risk - at this stage the risk is recognized;
- Risk analysis - risk classification according to qualitative assessment criteria;
- Definition of preventive actions - in order to mitigate or eliminate the risk.

As far as the second phase of the process is concerned, the risks are assessed and classified according to a scale of very high, high, moderate, low and very low risk, which results from the combination of the probability of the risk occurring ("PO") and its expected impact ("EI") on the organization. The following risk scoring grid shows the degree of risk ("DR") according to the two criteria

mentioned.
Impact can be understood as the consequence of an event that affects our strategic objectives, and is graded as follows:

- **High:** when damage to our reputation, a breach of the code of ethics and conduct or another consequence with significant costs, which affects our mission, objectives and operational activity, are at stake;
- **Medium:** when there is a medium impact on our reputation or on the performance of operational activities and our strategic objectives, or another consequence with bearable costs;
- **Low:** when there may be no potential to cause an impact on our reputation, nor on the performance of operational activities and objectives, and the associated costs are negligible.

The probability of occurrence can be understood as the possibility of an event occurring or not occurring within a given period. The three probability of occurrence criteria within the risk grid can be defined as follows:

- **High:** when the event may occur on a regular basis and/or with reduced possibility of prevention or remediation, even if it includes additional control actions;
- **Medium:** when the event may occur sporadically and/or with the possibility of prevention or remediation, even if it includes additional control actions;
- **Low:** when the event is unlikely to occur or when it occurs in exceptional circumstances and can be prevented or remedied with the controls in place.

Degree of risk		Probability of Occurrence			
		High	Medium	Low	
Expected impact	High	Very high	High	Moderate	
	Medium	High	Moderate	Reduced	
	Low	Moderate	Reduced	Very reduced	

Control mechanisms

This plan is coordinated by our Prevention of Corruption and Related Offences Plan Manager and is made up of internal rules and methodologies, standardized with the aim of informing our employees of these guidelines. These methodologies are periodically audited, both internally and through external audits, in order to verify compliance, and are posted on our Intranet (an internal information portal exclusively for our employees).

The main documents, methodologies and preventive measures that cut across a significant part of our activity are:

- **Code of Ethics and Conduct** - we have a code of ethics and conduct that describes our Values, Principles and Commitments. This document aims, among other things, to:
 - Ensure transparency and rigor in all the activities conducted with our stakeholders;
 - Condemn illicit, immoral and incorrect behavior, used only to achieve *a priori* economic objectives;
 - Disapprove of actions and attitudes driven by purely personal interests and/or those of third parties to the detriment of the interests of the group, and to reject any form of corruption;
- **Anti-Corruption Policy** - we have an anti-corruption policy that describes a set of practices that we disapprove of internally, as well as on the part of all third parties with whom we have dealings;
- **Clauses in contracts with suppliers**
 - a set of clauses has been included in contracts with suppliers/subcontractors to increase their

commitment to undertaking transparent and ethical practices. These clauses include, among others, commitments to “adopting a zero-tolerance behavior towards fraud and corruption in all its forms” and to “prevent, avoid and take all necessary measures to sanction the occurrence of any situations of conflicts of interest within the scope of this contract;”

- **Clauses in contracts with employees**

- the employment contract entered into with each employee includes a commitment to fight corruption and to behave ethically. Employees are therefore committed to “adopting a zero-tolerance behavior towards fraud and corruption in all its forms”, to “not solicit, offer, give or accept, directly or indirectly, promises, gifts or any other undue advantage, namely to public agents, or to any other person with powers of authority, which maliciously alters the exercise of their functions,” and also to “act honestly and impartially in the contractual sphere, ensuring shared respect for the values and commitments of the parties, particularly the ten principles of the United Nations Global Compact;”

- **Whistleblowing channel** - three whistleblowing channels have been set up (online platform, telephone and post office box) so that stakeholders can report any attitude, behavior or activity that is in conflict with the values and principles described in our Code of Ethics and Conduct;

- **Training and awareness-raising** - we regularly organize training and awareness-raising sessions for our employees and management bodies on the subjects covered by this document;

- **Conducting periodic audits** - for the risks identified in the annex to this document, we carry

out periodic audits in order to verify the compliance and effectiveness of the control and prevention measures adopted.

We are committed to not harming or retaliating against stakeholders who lodge a complaint and we also guarantee fair treatment of those involved in the reporting of an event, always bearing in mind the presumption of innocence when establishing the truth.

- **Ethics Committee** - meets periodically with an agenda to discuss whether all the ethical principles are being complied with through the organization's seal.

Risk assessment results

The risk and control grid which has been drawn up is available in the next section, and describes the risks identified in the various areas of activity in which we operate, analyzed in terms of their likelihood of occurrence, expected impact and, consequently, their degree of risk, and also identifies the preventive measures associated with mitigating each risk.

Monitoring, review and dissemination of the PPR

According to the Decree-Law, the management body of the entities covered is responsible for adopting and implementing the regulatory compliance programs provided for in the RGPC, without prejudice to the powers conferred by law on other bodies, managers or employees. The Chairperson of the Board of Directors has therefore decided that it is necessary to monitor this Plan on an annual basis, at meetings of the Ethics Committee.

Monitoring will be carried out in the form of a report, to be drawn up by the Prevention of Corruption and Related Offences Plan Manager, identifying the measures defined, the measures implemented, analyzing implementation and identifying evidence of implementation. The reports will be drawn up as follows:

- In October, an interim assessment report on the situations identified as high or maximum risk;
- In April of the following year and concerning their execution, an annual assessment report containing, in particular, a quantification of the level of implementation of the preventive and corrective

measures identified, as well as a forecast for their full implementation.

The Plan will be reviewed every three years or, alternatively, whenever there are changes that justify revising it, particularly in its attributions and our organizational structure or if new risks are identified that are relevant to and have an impact on the Plan.

In addition, both the Plan (including revisions to it) and the interim and annual assessment reports will be published on our official website and intranet within 10 days of their implementation, revision or preparation, enabling our employees and other stakeholders to have access to that information.

Annexes

Grid for Risks of Corruption and Related Offences

Activities	Potential risks	Assessment*			Prevention Measures
		PO	EI	DR	
Cross-cutting Risks					
Commercial					
Commercial solicitation	Lack of independence in the decision to solicit the commercializing of projects with customers who are related parties, or whose project is of personal interest	M	M	Moderate	<ul style="list-style-type: none">• Application of a conflict-of-interest management policy• Obligation to periodically fill in a Conflict-of-Interest Statement• Identification of related parties with whom the dstgroup or its beneficial owners and Directors have business relations
	Establishment of corporate relationships with customers, intermediaries and other agents: (i) with a poor image, reputation and responsibility; (ii) associated with investigations and/or adverse judicial decisions related to crimes involving corruption or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the third party operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	M	H	High	<ul style="list-style-type: none">• Conduct a due diligence procedure and third-party risk assessment• Continuous risk monitoring and specification of reinforced due diligence measures for third parties classified as high risk
Dealing with public tenders	Occurrence of events of bribery, influence peddling and/or offers to public officials to obtain favors in the awarding of public contracts and/or to influence the decisions of public officials	L	M	Moderate	<ul style="list-style-type: none">• Report, formalize/record and archive meetings and/or interactions with public bodies and officials• Formalize applications for public tenders via existing platforms for this purpose• Increase control/monitoring measures on transactions with public entities/agents
	Collusion with companies in the same sector, including related parties, with the intention of manipulating market prices and rigging public tenders	L	H	Moderate	<ul style="list-style-type: none">• Critical analysis of the participating organizations and the results of public tenders

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Quotation of projects to customers	Manipulation, omission of information or insufficient detail in budgets for customer projects, making it difficult to monitor and justify project spending, with a potential impact on financial results	M	L	Reduced	<ul style="list-style-type: none"> • Create budgets with the involvement and approvals of different stakeholders, in accordance with the approval limits established by the dstgroup • Order approving the project budget, with the value of the work and a pre-established negotiating margin
Pre-negotiation with suppliers and subcontractors in the context of project budgeting for customers	Pre-negotiation of conditions with suppliers and subcontractors with prices and payment and/or supply conditions that are not reasonable and proportionate to the services/products purchased	L	L	Very Reduced	<ul style="list-style-type: none"> • Analysis and approval of pre-adjudication agreements made by the commercial area • Pre-market consultation involving at least 3 organizations and the drawing up of a comparative chart of proposals to support decision making • Formalization of contracts for the purchase of goods and services by a centralized Purchasing department
	Existence of commercial relations with third parties with a broad/ambiguous/unclear and/or improperly formalized contractual object, to obtain benefits outside the organization	L	M	Reduced	<ul style="list-style-type: none"> • Use of draft contracts revised by the legal department • Analysis and approval of pre-adjudication agreements made by the commercial area
	Transactions with related parties where the business rationale is not transparent and/or for which the scope of the business has not been formalized.	L	M	Reduced	<ul style="list-style-type: none"> • Formalization of the relationship with related parties through contracts specifying the scope of services, amounts, payment methods, duration, etc. • Continuous monitoring of transactions with related parties
Negotiation and definition of prices/discounts and other conditions for customers	Negotiating with and adjudicating commercial proposals to customers that are not very advantageous and/or directly detrimental to the dstgroup in exchange for benefits unrelated to the organization	L	M	Reduced	<ul style="list-style-type: none"> • Order approving the project budget, with the value of the work and a pre-established negotiation margin • Compliance and automation in the system for delegating authority for approving and signing contracts
	Giving excessive/unjustified discounts to customers, the reasonableness of which is ambiguous, in exchange for benefits outside the organization	M	M	Moderate	<ul style="list-style-type: none"> • Establishment of a workflow for approving discounts, which describes the circumstances in which discounts can be granted to customers
Drawing up and formalizing contracts with customers	Drawing up and formalizing contracts with ambiguous conditions in terms of payment and supply and/or with a broad/ambiguous/unclear contractual object, making it difficult to interpret/check/inspect the services and control payments	L	M	Reduced	<ul style="list-style-type: none"> • Use of draft contracts revised by the legal department • Compliance and automation in the system for delegating authority for approving and signing contracts
Offers to third parties	Allocating offers to customers, intermediaries and other agents that are disproportionate/inappropriate to/for the activity of the company and/or that could be perceived as bribery or as illegitimate influence over third parties	L	H	Moderate	<ul style="list-style-type: none"> • Compliance with the offers and hospitality policy with previously established criteria and procedures • Review and approval of expenses submitted by employees and Directors

	Receipt of gifts from third parties, which could be perceived as a means of obtaining undue favors	L	H	Moderate	<ul style="list-style-type: none"> Compliance with policy regarding gifts and hospitality with previously established criteria and procedures
Production					
Contract budgeting	Manipulation, omission of information or insufficient detail in the budgets drawn up for contracting projects, making it difficult to monitor and justify project spending	M	M	Moderate	<ul style="list-style-type: none"> Creating budgets with the involvement and approval of different stakeholders, in accordance with the approval limits established by the dstgroup
Purchase requisitions for materials and/or services from subcontractors	Splitting purchases/expenditure in order to circumvent the limits stipulated for approving purchases, when considering the delegation of authority for approving expenditure on works contracts	M	M	Moderate	<ul style="list-style-type: none"> Conducting manual or automatic procedures to detect potential situations involving the splitting of expenses Analysis of suspicious financial transactions that show close dates and/or similar/coincident amounts with certain approval limits set for purchases
	Acquisition of goods and services that do not derive from real needs, for benefits outside the organization	L	M	Reduced	<ul style="list-style-type: none"> Undertaking procurement and services procedures in force in the organization, from the creation of the purchasing need to the selection of the supplier, which include compliance with a centralized workflow approving and monitoring the business relationship Segregation of duties between the employee/area that identifies the need and the party that negotiates and formalizes the contract with the service provider
Technical analysis and decision on the selection of suppliers and subcontractors	Unduly favoring or disfavoring third parties when hiring suppliers and subcontractors to undertake projects	L	M	Reduced	<ul style="list-style-type: none"> Distribution of responsibilities for technical and financial analyses to different teams Creation and use of a historical database with prices for materials/services from suppliers/subcontractors Formalizing, recording and archiving all selection, analysis and approval processes for contracting third parties
	Contracts/subcontracts not approved or approved with the wrong level of delegation of authority, by mistake or deliberately	L	M	Reduced	<ul style="list-style-type: none"> Compliance and automation in the workflow system laid down for approvals within the scope of the technical and financial analysis of proposals, based on their amount Definition of "day-to-day management acts" and other situations in which only one signature is allowed
Execution, monitoring and operational and financial control of works	Inadequate execution of contracts, resulting in significant differences between the contractual forecast and the actual costs incurred and/or manipulation/absence of analyses of the costs incurred/monitoring of work	M	M	Moderate	<ul style="list-style-type: none"> Preparation of subcontractor measurement records and charts of hours worked on site Approval of the measurement reports by the client's supervisory element Monitoring of work on site by employees designated for this purpose and analysis of the respective operational and financial deviations

	Manipulation of measurement records for work carried out and receipt notes for materials, in order to over- or under-invoice certain expenses, resulting in false, inflated or duplicate invoices	L	M	Reduced	<ul style="list-style-type: none"> Parameterization of the IT system to incorporate mandatory contract registration fields, including billing conditions Parameterization of the IT system to block the registration of measurement records or delivery notes for more than the contracted amount
Allocation and management of resources on site	Undue access to work sites by unauthorized persons	M	L	Reduced	<ul style="list-style-type: none"> On-site access control and management system with biometric reading Physical restrictions and controlling access to construction sites
	Misuse/misappropriation, diversion or theft of contract resources to obtain benefits outside the organization	M	M	Moderate	
	Loss of control over the location of materials/equipment when they are transferred to work sites or when they need to be replaced	M	M	Moderate	
Changes to the project and negotiation of additional work with customers	Negotiating additional work with customers without or with little financial economic rationale associated with this	M	M	Moderate	<ul style="list-style-type: none"> Compliance with a workflow with procedures for negotiating and approving additional work
Receiving and checking materials and equipment on site	Handling the quantity and description of materials and/or equipment received and recorded in the IT system, as part of the process of receiving and checking materials and/or equipment on site	L	L	Very Reduced	<ul style="list-style-type: none"> Control through system access rules and profiles based on functions undertaken Segregation of duties between the worker who requisitions the materials/equipment, the worker who checks them in and the worker who records them in the system Use of material receipt notes Automatic control in the IT system, in which supplier invoices are checked against purchase orders and receipt notes (prices and quantities)
Monitoring of supervisory visits, inspections, surveys and licenses on site	Bribery of third parties, including public officials and police officers, as part of the monitoring or inspections of works sites, surveys and licenses, in order to obtain an undue advantage	L	H	Moderate	<ul style="list-style-type: none"> Producing a manual for monitoring supervisory inspections and audits by external organizations Reporting, formalizing/recording and archiving meetings and/or interactions with public bodies and officials Increased control/monitoring measures on transactions with public entities/agents
Managing the use of service vehicles	Misuse of company vehicles for personal purposes	M	L	Reduced	<ul style="list-style-type: none"> Analysis of fuel consumption, using information about the vehicle, the driver and their journeys Use of the "Cartrack" system Compliance with a vehicle use policy, with previously specified rules of use

Offers to third parties	Allocating offers to suppliers, customers, intermediaries and other agents that are disproportionate/inappropriate to/for the company's activity and/or that could be perceived as bribery or as illegitimate influence over third parties	L	H	Moderate	<ul style="list-style-type: none"> Compliance with the offers and hospitality policy with previously established criteria and procedures Review and approval of expenses submitted by employees and Directors
	Receipt of gifts from third parties, which could be perceived as a means of obtaining undue favors	L	H	Moderate	<ul style="list-style-type: none"> Compliance with the offers and hospitality policy with previously established criteria and procedures
Purchases ***					
Contracting Suppliers/Subcontractors	Hiring third parties: (i) with a poor image, reputation and responsibility; (ii) associated with investigations and/or adverse judicial decisions related to crimes involving corruption or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the third party operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	M	H	High	<ul style="list-style-type: none"> Conduct a due diligence procedure and third-party risk assessment Continuous risk monitoring and specification of reinforced due diligence measures for third parties classified as high risk
	Business relations with entities with a history of behavior not in line with the dstgroup Code of Ethics and Conduct	L	H	Moderate	<ul style="list-style-type: none"> Maintaining a database containing the history of suppliers with evidence of behavior not in line with the dstgroup Code of Ethics and Conduct
	Hiring companies belonging to relatives of the project owner and/or supervisor and other situations of undue favoring or disfavoring in the hiring/subcontracting of third parties in exchange for advantages and/or benefits for themselves and/or for third parties or through external influence, which constitute situations of conflicts of interest	L	H	Moderate	<ul style="list-style-type: none"> Application of a conflict-of-interest management policy Obligation to periodically fill in a Conflict-of-Interest Statement Identification of related parties with whom the dstgroup or its beneficial owners and Directors have business relations Conduct a due diligence procedure and third-party risk assessment Segregation of duties between the employee/area that identifies the need and the party that negotiates and formalizes the contract with the service provider
	Transactions with related parties where the business rationale is not transparent and/or for which the scope of the business has not been formalized.	L	M	Moderate	<ul style="list-style-type: none"> Formalization of the relationship with related parties through contracts specifying the scope of services, amounts, payment methods, duration, etc. Continuous monitoring of transactions with related parties
	Establishment of prices and payment and/or supply conditions that are not reasonable and proportionate to the services/products purchased	M	M	Moderate	<ul style="list-style-type: none"> Compliance and automation in the system for delegating authority for approving and signing contracts Pre-market consultation involving at least 3 organizations and the drawing up of a comparative chart of proposals to support decision making

	Excessive renewal/extension of the period in force of contracts or signing of amendments to contracts without reviewing the terms and conditions negotiated, avoiding market checks and following the workflow for approval of such	H	M	High	<ul style="list-style-type: none"> • Involvement of the purchasing area in analyzing extensions to contract periods and/or contract amendments • Establishment of rules regarding contractual amendments, renewals/extensions
	Existence of commercial relations with third parties without a formal document with a broad/ambiguous/ unclear and/or improperly formalized contractual object	L	M	Reduced	<ul style="list-style-type: none"> • Obligation to issue purchase orders for all purchases, followed by registering them in the system • Use of draft contracts revised by the legal department
	Contracts/subcontracts not approved or approved with the wrong level of delegation of authority, by mistake or deliberately	L	M	Reduced	<ul style="list-style-type: none"> • Compliance and automation in the system for delegating authority for approving and signing contracts • Definition of "day-to-day management acts" and other situations in which only one signature is allowed
	Occurrence of situations involving bribery/corruption by entities representing or acting on behalf of and/or in the name of the dstgroup	L	H	Moderate	<ul style="list-style-type: none"> • Obligation to use anti-corruption clauses in contractual relations and third-party commitments resulting from the dstgroup's code of ethics and conduct and its anti-corruption policy
	Inconsistencies/failures to comply with the procedures for purchasing goods and services put in place as a result of the decentralization of these procedures by various areas of the dstgroup's organizational structure	M	M	Moderate	<ul style="list-style-type: none"> • Pre-qualification of a pool of suppliers/subcontractors for certain products and services • Undertaking procurement procedures for goods and services in force in the organization, from the creation of the purchasing need to the supplier selection, and which include compliance with a centralized workflow approving and monitoring the business relationship
Registration of purchase orders in SAP	Acquisition of goods that do not derive from real needs for benefits outside the organization	L	M	Reduced	<ul style="list-style-type: none"> • Holding a weekly meeting to plan purchases and fill in the supply chart • Control automation in a system that does not allow invoices to be sent for payment without checking that the workflows for approving and checking the goods and/or services have been complied with
	Splitting of purchases/expense, so as not to surpass the specified purchase approval ceilings and/or delegations of authority for approval	L	M	Reduced	<ul style="list-style-type: none"> • Analysis of suspicious financial transactions that show close dates and/or similar/coincident amounts with certain approval limits set for purchases • Conducting manual or automatic procedures to detect potential situations involving the splitting of expenses

Accounting, Controlling and Consolidation ***

Registration of third parties in master databases	Creation of fictitious or duplicate third parties	L	L	Very Reduced	<ul style="list-style-type: none"> Automation of alerts in the IT system for blocking/signaling invalid and/or duplicate Taxpayer Numbers, names, addresses and/or IBAN bank details, including comparing data from employees, customers and suppliers
	Use, disclosure and/or manipulation of information from third parties registered in the IT system	L	M	Reduced	<ul style="list-style-type: none"> Control through system access rules and profiles based on functions undertaken Definition and implementation of the approval workflow for registering and changing the master data of third parties
Classifying, posting and registering invoices and other documents from suppliers and customers	Diversion of funds due to recording invoices (i) without a contractual context, (ii) without supporting documentation, (iii) without evidence of delivery/provision of the goods/services, (iv) without approval and/or (v) inconsistent with contracts and/or purchase orders without apparent justification	L	M	Reduced	<ul style="list-style-type: none"> Automatic control in the IT system, in which supplier invoices are checked against purchase orders and receipt notes (prices and quantities) Control automation in a system that does not allow invoices to be sent for payment without checking that the workflows for approving and checking the goods and/or services have been complied with Segregation of duties between the employee/area that undertakes the adjudication/ purchase request, the party that checks that the goods/services were delivered and the party that issues the invoice in the system
	Improperly sending third-party invoices for payment to obtain benefits outside the organization	L	M	Reduced	<ul style="list-style-type: none"> Control automation in a system that does not allow invoices to be sent for payment without checking that the workflows for approving and checking the goods and/or services have been complied with
	Issuing credit notes and making unsubstantiated repayments or write-offs to obtain benefits outside the organization	L	M	Reduced	<ul style="list-style-type: none"> Compliance with the workflow for approving credit notes, repayments or debt write-offs, which specifies the situations in which such procedures are permitted
	Use of generic or ambiguous accounting headings in order to record costs not related to the company's activity	L	M	Reduced	<ul style="list-style-type: none"> External audits of financial statements Periodic monitoring and analysis of the accounting headings most prone to manipulation and the recording of undue costs
Integration of manual and automatic invoicing in SAP	Manipulation of invoicing in order to over-invoice or re-invoice certain amounts, resulting in duplication of costs or false, inflated or duplicated invoices	L	M	Reduced	<ul style="list-style-type: none"> Parameterization of the IT system to incorporate mandatory contract registration fields, including billing conditions

Validation of employee expenses	Approval of expenses incurred by employees and Directors that are not documented, do not fall within the scope of the dstgroup's activity and/or the amounts of which are not appropriate when considering the nature of the expense	M	L	Reduced	<ul style="list-style-type: none"> Compliance with the policy for submitting, approving and reimbursing expenses to employees and Directors
Bank reconciliations	Manipulation of bank reconciliations to obtain benefits outside the organization in order to hide/modify movements in bank accounts that are suspicious and/or unrelated to the company's activity	L	L	Very Reduced	<ul style="list-style-type: none"> Conducting and analyzing monthly bank reconciliations Reviewing and approving bank reconciliations by different employees
Financial reporting, preparation of financial statements and consolidation	Manipulation of financial statements to obtain benefits outside the organization	L	H	Moderate	<ul style="list-style-type: none"> Monthly analytical review of the accounting headings and comparisons with the budget, previous periods and the same period in the previous year External audits of financial statements
Treasury ***					
Opening and closing bank accounts	Misappropriation of funds by employees and Directors with powers to operate bank accounts	L	H	Moderate	<ul style="list-style-type: none"> Requirement of a minimum of two signatures to open bank accounts and make payments Restricted access to bank account access credentials Undertaking annual circularization procedures with banks Formalizing and undertaking procedures for opening and closing bank accounts Periodic comparison between the Bank of Portugal's Accounts Database chart and the bank accounts opened in the accounting system Conducting and analyzing monthly bank reconciliations
Management of payments and receipts	Making payments inconsistent with the terms established in the contract	L	L	Very Reduced	<ul style="list-style-type: none"> Preparation of half-yearly reports detailing the movements of suppliers with the highest turnover or the largest volume of transactions More diligent monitoring of payments between the dstgroup and entities classified as high risk
	Making payments without any delivery of goods/materials or execution of services for the benefit of the dstgroup having taken place	M	M	Moderate	<ul style="list-style-type: none"> Control automation in a system that does not allow invoices to be sent for payment without checking that the workflows for approving and checking the goods and/or services have been complied with Segregation of duties between the employee/area that undertakes the adjudication/ purchase request, the party that checks that the goods/services were delivered and the party that issues the invoice in the system
	Occurrence of double payments	M	L	Reduced	<ul style="list-style-type: none"> Parameterization of alerts/blocks in the IT system for recording payments in duplicate

	Payment of unapproved invoices	M	L	Reduced	<ul style="list-style-type: none"> Control automation in a system that does not allow invoices to be sent for payment without checking that the workflows for approving and checking the goods and/or services have been complied with
	Payments/receipts made to/from bank accounts not contractually provided for or involving entities not registered with the dstgroup, which may expose the dstgroup to situations involving illegitimate payments/receipts or to/from sanctioned entities or those with reputational risks	L	H	Moderate	<ul style="list-style-type: none"> Verification of proof of IBAN bank codes for the third parties created in the master database, as well as whenever any changes are requested Confirmation that funds received/paid are from/to bank accounts previously identified in the master database Periodic monitoring of payments/receipts to/from third parties with a higher risk for the dstgroup Defining reporting and other procedures in the event of queries as to the origin of funds received and/or the destination of payments
	Misappropriation of cash or cash funds	L	L	Very Reduced	<ul style="list-style-type: none"> Operating cash on a fixed-fund basis Restricting access to safes containing cash Checking cash movements using cash sheets Complying with the cash utilization policy
Reconciliation of current account movements	Manipulating of current account reconciliations in order to hide/manipulate transactions	L	L	Very Reduced	<ul style="list-style-type: none"> Conducting regular checks on third parties, with the main focus on those of greatest risk Regular monitoring of supplier and customer current accounts with a view to regularizing balances and analyzing discrepancies
Control of credit card statements	Payment of expenses incurred by employees and Directors that are not documented, do not fall within the scope of the dstgroup's activity and/or the amounts of which are not appropriate when considering the nature of the expense	L	L	Very Reduced	<ul style="list-style-type: none"> Monthly review of credit card bank statements Obtaining and analyzing documentation to support credit card transactions, in order to ascertain the economic and financial rationale of the expenditure and its compliance, through considering what is permitted by the dstgroup
Managing and controlling intra-group loans	Transactions with related parties where the business rationale is not transparent and/or for which the scope of the business has not been formalized.	M	M	Moderate	<ul style="list-style-type: none"> Formalization of the relationship with related parties through contracts specifying the scope of services, amounts, payment methods, duration, etc. Undertaking a monthly report for intra-group account management

Strategic Planning and Tax***						
Hiring specialized services (e.g. consultancy, legal services, etc.)	Establishment of corporate relationships with customers, intermediaries and other agents: (i) with a poor image, reputation and responsibility; (ii) associated with investigations and/or adverse judicial decisions related to crimes involving corruption or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the third party operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	L	H	Moderate	<ul style="list-style-type: none"> Conduct a due diligence procedure and third-party risk assessment Continuous risk monitoring and specification of reinforced due diligence measures for third parties classified as high risk 	
	Inconsistencies/failures to comply with the procedures for purchasing goods and services put in place as a result of the decentralization of these procedures by various areas of the dstgroup's organizational structure	L	L	Very Reduced	<ul style="list-style-type: none"> Undertaking the procurement procedures for goods and services in force in the organization, from the creation of the purchasing need to supplier selection, and which include compliance with a centralized workflow approving and monitoring the business relationship 	
Merger & Acquisitions (M&A) Processes	Buying a company: (i) with a poor image, reputation and responsibility; (ii) associated with investigations and/or adverse judicial decisions related to crimes involving corruption or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the company operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	L	H	Moderate	<ul style="list-style-type: none"> Conduct a due diligence procedure and third-party risk assessment 	
	Lack of exemption and impartiality due to the existence of conflicts of interest, particularly family, political, commercial or personal interests that may interfere in M&A processes, including the purchase of entities in which the decision maker is the beneficiary	M	M	Moderate	<ul style="list-style-type: none"> Application of a conflict-of-interest management policy Obligation to periodically fill in a Conflict-of-Interest Statement Preventing stakeholders from becoming involved in businesses in which conflicts of interest will arise 	
Applications for public support and funding	Interactions with public bodies/officials with the aim of influencing and manipulating the criteria and outcome of the application	L	H	Moderate	<ul style="list-style-type: none"> Reporting, formalizing/recording and archiving meetings and/or interactions with public bodies and officials Archiving documentation on applications for public support and funding 	
	Misappropriation or improper use of Government subsidies and supports for purposes unrelated to the reasons for which they were granted	L	H	Moderate	<ul style="list-style-type: none"> The existence of an employee responsible for controlling and monitoring the use of the funds, and for operational compliance with the investment plan 	
Analyzing income and expenditure misappropriations from dstgroup entity budgets	Budgetary deviations in income and expenditure with the potential for fraud or situations that are not part of the dstgroup's business activity	L	M	Reduced	<ul style="list-style-type: none"> Preparation, approval and monitoring of the budget and activity plan per business area Analyses of business trends in order to anticipate possible risks Control of budget deviations in income and expenditure 	

Monitoring the dstgroup's international activity	Non-compliance with applicable legislation on the prevention of corruption and related offences in the various geographical areas where the dstgroup operates, having considered the specific regulations of each country	L	H	Moderate	<ul style="list-style-type: none"> • Coordination with the dstgroup's legal department to receive new information on the updating or entry into force of relevant legislation on matters related to the prevention of corruption and related offences in the countries where the dstgroup is present • Conduct a due diligence procedure and third-party risk assessment • Continuous risk monitoring and specifying reinforced due diligence measures for third parties classified as high risk
	Involvement with third parties based or operating in countries or territories subject to sanctions, and its consequent impact on the dstgroup's reputation	L	H	Moderate	
Management and handling of complaints	Lack of independence in receiving, analyzing and processing complaints received through the channels in place for this purpose	L	M	Reduced	<ul style="list-style-type: none"> • Existence of a person responsible for managing the whistleblowing channel • Documenting the procedures related to the whistleblowing channel, indicating those responsible for this and their responsibilities at each stage of the process • Existence of robust whistleblowing mechanisms that promote the independent handling of complaints
Analysis of the donations awarded by the dstgroup	Allocating donations to third parties: (i) with a poor image, reputation and responsibility; (ii) associated with investigations and/or adverse judicial decisions related to corruption offences or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the third party operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	L	H	Moderate	<ul style="list-style-type: none"> • Conduct a due diligence procedure and third-party risk assessment • Compliance with the policy for awarding donations utilizing previously established criteria and procedures
	Lack of exemption and impartiality due to the existence of conflicts of interest, particularly family, political, commercial or personal interests that may interfere in the awarding of donations to third parties, including the selection of entities in which the actual decision maker is the beneficiary	L	M	Reduced	<ul style="list-style-type: none"> • Application of a conflict-of-interest management policy • Obligation to periodically fill in a Conflict-of-Interest Statement • Existence of a Social Responsibility Committee that analyses and decides on requests for donations received, in an impartial and independent manner
	Donations disproportionate/inappropriate to the company's activity, whether in cash or in kind	L	M	Reduced	<ul style="list-style-type: none"> • Existence of a Social Responsibility Committee that analyses and decides on requests for donations received, in an impartial and independent manner • Implementation of an annual budget for donations and an analysis of misappropriations from it, reported to the Board of Directors

Unclear or unformalized criteria/reasons for awarding donations, in order to cover up a potential bribe or exchange of favors	L	H	Moderate	<ul style="list-style-type: none"> Compliance with the policy for awarding donations utilizing previously established criteria and procedures Archiving analyses undertaken regarding the allocation of donations
Use of donations for purposes not aligned with the purpose of the business, such as supporting political parties, financing electoral campaigns or favoring customers with a view to receiving commercial or other compensations in the future	L	H	Moderate	<ul style="list-style-type: none"> Ban on giving donations to or funding political parties and election campaigns Compliance with the policy for awarding donations utilizing previously established criteria and procedures

Human Resources***					
Recruitment and Selection	Lack of independence and/or undue favoring or disfavoring of applicants in the recruitment and selection process	L	L	Very Reduced	<ul style="list-style-type: none">• Mandatory involvement of human resources or an independent element in the recruitment process• It is impossible for an employee who has put forward an applicant to be part of the process of analyzing and deciding whether to hire them• Implementation of various screening phases, including technical and behavioral tests by profile/job and the involvement of different agents in the recruitment process
	Accumulation by employees of public/private functions and/or other situations likely to generate conflicts of interest that could interfere with the performance of their duties	L	H	Moderate	<ul style="list-style-type: none">• Depending on the type of worker to be hired, conducting due diligence procedures, so that requirements such as the suitability, qualifications and professional experience and independence of the workers can be verified• Where applicable, submitting a request for the accumulation of duties, following a workflow• specifically approving this
	Hiring workers who have been the subject of investigations, adverse court rulings and/or are on lists of sanctions for crimes associated with corruption or related offences, or who have an unethical professional history	L	H	Moderate	<ul style="list-style-type: none">• Depending on the type of worker to be hired, conducting due diligence procedures, so that requirements such as the suitability, qualifications and professional experience and independence of the workers can be verified• Collecting and checking criminal records• For certain positions, contacting former employers to confirm the professional history and ethics of the applicant under analysis
Formalization of contracts with employees	Existence of links to workers without any formalized contractual situations and/or whose contractual clauses are manipulated/ambiguous to the direct detriment of the dstgroup	L	M	Reduced	<ul style="list-style-type: none">• Mandatory involvement of human resources or an independent element in the recruitment process• Requirement to use contract templates with pre-approved mandatory clauses and, in the event of changes, to obtain approvals for these

Admission of new employees/ onboarding	Occurrence of improper and/or unethical behavior on the part of new employees, due to lack of or insufficient awareness among employees of matters related to corruption, bribery and other related offences, applicable to all employees upon onboarding	M	M	Moderate	<ul style="list-style-type: none"> ○ Providing employees with documentation on ethics, anti-corruption and bribery ○ Training plan and periodic and regular communication campaigns on matters related to ethical behavior and the role of each employee in preventing corruption and related offences
Registration of information in the employee database	Improper use and/or disclosure of employee information which is privileged and/or confidential to obtain benefits outside the organization	L	M	Reduced	<ul style="list-style-type: none"> • Control through system access rules and profiles based on the functions undertaken
Training	Lack of or insufficient awareness among employees of matters related to corruption, bribery and other related offences, applicable to all employees, including those who are outsourced, leading to inappropriate behavior on their part	M	M	Moderate	<ul style="list-style-type: none"> ○ Training plan and periodic and regular communication campaigns on matters related to ethical behavior and the role of each employee in preventing corruption and related offences ○ The existence of a mitigation plan for workers who are absent at the time training takes place
Performance assessment	Occurrence of improper and/or unethical behavior by employees, due to a policy of awarding bonuses based on aggressive commercial objectives, where applicable	L	H	Moderate	<ul style="list-style-type: none"> ○ Weighting of different criteria in the performance assessment of employees, such that there is a balance between commercial and non-commercial objectives (e.g., compliance)
Processing of salaries	Manipulation of information related to the processing of workers' salaries, resulting in potentially undue payments	L	M	Reduced	<ul style="list-style-type: none"> • Segregation of duties between the employee responsible for registering employees and their salaries in the database and the employee who carries out the processing of salaries • Restricted access to consulting and editing the file for the processing of salaries • Monthly comparison between the amounts processed and the contractually specified amounts, using reports extracted from SAP, and obtaining justifications for any fluctuations encountered • Random check of pay slips and comparison with amounts actually paid
Hiring specialized Human Resources services (e.g. consultancy, training, etc.)	Inconsistencies/failures to comply with the procedures for purchasing goods and services put in place as a result of the decentralization of these procedures by various areas of the dstgroup's organizational structure	L	L	Very Reduced	<ul style="list-style-type: none"> • Undertaking the procurement procedures for goods and services in force in the organization, from the creation of the purchasing need to supplier selection, and which include compliance with a centralized workflow approving and monitoring the business relationship

Communication and Marketing***						
Organization of commercial and institutional events	The dstgroup's association, as part of holding events with entities (i) with a poor image, reputation and responsibility; (ii) associated with investigations and/or adverse judicial decisions related to crimes involving corruption or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the company operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	L	H	Moderate	<ul style="list-style-type: none">○ Conduct a due diligence procedure and third-party risk assessment	
Hiring specialized Marketing and Communications services	Inconsistencies/failures to comply with the procedures for purchasing goods and services put in place as a result of the decentralization of these procedures by various areas of the dstgroup's organizational structure	M	L	Reduced	<ul style="list-style-type: none">• Undertaking procurement procedures for goods and services in force in the organization, from the creation of the purchasing need to supplier selection, and which include compliance with a centralized workflow approving and monitoring the business relationship	
IT***						
IT equipment management	Use of confidential information to obtain advantages for oneself and/or third parties	M	M	Moderate	<ul style="list-style-type: none">• Control through system access rules and profiles based on the functions undertaken<ul style="list-style-type: none">○ Application of auditing mechanisms to periodically review access to systems	
	Theft of computer equipment	L	L	Very Reduced	<ul style="list-style-type: none">• Physical restrictions and controlling access to equipment• Annual inventory of equipment	
Allocating access to IT systems	Incorrect parameterization of employee access, when considering the duties performed	M	M	Moderate	<ul style="list-style-type: none">○ Application of auditing mechanisms to periodically review access to systems○ Compliance with the information security policy	
Quality, Environment and Safety***						
Hiring specialized services (not related to the core business)	Inconsistencies/failures to comply with the procedures for purchasing goods and services put in place as a result of the decentralization of these procedures by various areas of the dstgroup's organizational structure	L	L	Very Reduced	<ul style="list-style-type: none">• Undertaking procurement procedures for goods and services in force in the organization, from the creation of the purchasing need to supplier selection, and which include compliance with a centralized workflow approving and monitoring the business relationship	
Other***						
Partnerships/ provision of services by the dstgroup to parties related to members of the Board of Directors	Transactions with related parties where the business rationale is not transparent and/or for which the scope of the business has not been formalized.	M	M	Moderate	<ul style="list-style-type: none">○ Application of a conflict-of-interest management policy○ Obligation to periodically complete a Conflict-of-Interest Statement	
	Transfer of a dstgroup business to related parties	M	M	Moderate	<ul style="list-style-type: none">○ Identification of related parties with whom dstgroup or its beneficial owners and Directors have business relations○ Conduct a due diligence procedure and third-party risk assessment	

Public-private partnerships in which the dstgroup participates	Influence, in favor of the dstgroup and/or its representatives, in public procurement procedures triggered by public-private partnerships in which the group has a stake	L	H	Moderate	<ul style="list-style-type: none">○ Reporting, formalizing/recording and archiving meetings and/or interactions with public bodies and officials○ Analysis of potential conflicts of interest in the performance of management functions by dstgroup employees in the day-to-day activities of entities resulting from public-private partnerships○ Increased control/monitoring measures on transactions with public entities/agents
	Bribery or gifts to public officials to influence decisions, with a view to obtaining undue benefits and/or preferential treatment	L	H	Moderate	
Risks Specific to Entities Operating Internationally					
Commercial					
Establishing relationships with sales partners/intermediaries	Establishment of relationships with sales partners/intermediaries for which the payment of excessive/disproportionate commissions is stipulated in relation to the services provided and/or which may be perceived as bribery or as illegitimate influence over third parties	L	H	Moderate	<ul style="list-style-type: none">○ Conduct a due diligence procedure and third-party risk assessment○ Continuous risk monitoring and specification of enhanced due diligence measures for third parties classified as high risk○ Specification of a remuneration/commission that is reasonable in terms of its percentage, including a maximum amount, in absolute terms○ Obtaining information from sales partners/intermediaries who support the initiatives and efforts they make to attract new customers/projects• • Obligation to use anti-corruption clauses in contractual relations and third-party commitments resulting from the dstgroup's code of ethics and conduct and its anti-corruption policy
Human Resources***					
Management of international human resource processes	Bribery, influence peddling or gifts to public officials to secure or expedite visa processes for employees and/or to facilitate or expedite expatriation processes	L	H	Moderate	<ul style="list-style-type: none">○ Rotating the employee responsible for communicating with civil servants○ Increased control/monitoring measures regarding transactions with public entities/agents
Other***					
Externalization of processes in dstgroup companies involved in international activity	Non-compliance with applicable legislation on the prevention of corruption and related offences in the various geographical areas where the dstgroup operates, having considered the specific regulations of each country	L	M	Reduced	<ul style="list-style-type: none">○ Appointment of a person to monitor the specific rules and legislation applicable to the prevention of corruption and related offences in the various locations where the dstgroup operates

*See the risk management and assessment methodology in chapter 4.4. of the Plan for the Prevention of Risks of Corruption and Related Offences ("PPR"). Key: PO = probability of the risk occurring; EI = expected impact; DR = degree of risk.

**The main documents, methodologies and preventive measures covering a significant part of the dstgroup's activity are identified in chapter 4.5 of the PPR.

***Department centralized in the dstcenter (the dstgroup's shared services company), with the exception of dstelecom, which includes this department within its organizational structure. For the purposes of constructing this grid, it was considered that the risks applicable to this centralized department at dstcenter cut across and are applicable to the other dstgroup entities, in that the dstcenter provides them with services.