

# Ethical Conduct and Social Responsibility

## Introduction

The development of policies relating to international expansion and sustainability, for Soares da Costa Construção and societies or groups where holds a participation (hereinafter, collectively named, "Company") requires, among other factors, strict observance of behavior that is ethical, socially responsible and free from any form of discrimination.

In this context, we are issuing a number of documents, which have been recently revised and updated, that spell out the Company's vision in these areas and guidelines which should be observed by all employees, regardless of their position in the company, their job or the country in which they work.

We invite all employees to read them carefully, to attend specific training courses and to take the opportunity to inform work colleagues or business partners about them.

All of us have a duty to understand, comply with and inform others of these principles. We feel sure that everyone will actively join us in building a company that is increasingly more ethical and transparent.

Porto, February 27, 2014

António Castro Henriques  
*Chief Executive Officer*



## **Business Code of Conduct**

### **Soares da Costa Construção, SGPS, SA**

#### **Goal**

The goal of this Business Code of Conduct is to set out a number of critical ethical standards and principles that will guide the activities of companies of the Soares da Costa Construção, SGPS, SA, its board directors, members of its corporate bodies and employees in general.

#### **Scope of Application**

This code is applicable to all companies of Soares da Costa, and in particular is binding on:

- The Soares da Costa Construção, SGPS, SA and all companies and consortia in which it has management control, regardless of their location or the kind of business activity that they carry out;
- All board directors, managing directors, members of corporate bodies, managers and employees of companies included in Soares da Costa Construção.

In relation to this code, the term Soares da Costa refers both to the company Soares da Costa Construção, SGPS, SA and to the entire business group headed by that holding.

#### **Principles of Conduct**

##### **General**

Soares da Costa, which has its head office in Porto, Portugal, was founded in 1918, and since then, it has been in operation continuously both in Portugal and in several foreign markets.

Its size and history mean that it has responsibilities to the outside world, to its employees, partners, to those with whom it is contractually bound or with whom it interacts, and of course to the society as a whole. In its business activities, it commits to observe the following general principles:

- Respect the United Nations Universal Charter of Human Rights;
- Comply with the law and regulations in the markets/ countries where it operates;
- Adopt the highest standards of ethics and integrity in carrying out its business;
- Manage with an effective and efficient approach;
- Conduct itself in a socially responsible way;
- Respect the environment;
- Maintain a constant focus on the market and on satisfying the customer.

Within its range of influence, Soares da Costa and all of its employees will seek to ensure that its suppliers and subcontractors respect the principles enshrined in this Code of Conduct.



## Employees

The relationship between Soares da Costa and its employees is based on several ethical and behavioural rules founded on the next principles:

- Professional duties will be carried out with honesty, cooperation and loyalty, and employees will be treated fairly, respectfully and with dignity;
- Any form of discrimination in respect of gender, handicap, chronic illness, nationality, ethnic origin, political beliefs or religion is banned
- Will be sought a continuous improvement in safety conditions at work and in environmental protection, and related legislation and regulations will be strictly complied with;
- All work tasks assigned to employees will be carried out enthusiastically and diligently, while all internal and legal standards will be complied with, in particular in relation to health, hygiene and safety at work, protection of the environment and disciplinary proceedings;
- Will be encouraged the individual responsibility and offering equal opportunities in relation to training with a view to develop job skills and capabilities of each employee;
- There will be a constant search for improving and updating skills and knowledge;
- Employees' personal data, concerning information about their private lives given by them to the company, will be protected;
- Freedom of expression and opinion will be respected, as well as the right to privacy in their private lives;
- The legal minimum age for contracting employees will be strictly observed and the directives of the International Labour Organisation (ILO) will be complied with;
- Information on the Group's strategy, business goals of each one of its companies and on the financial situation and performance indicators.

Regardless of the location and kind of activity carried out, means will be sought to establish, continue and strengthen a company culture among all employees, which reflects the Soares da Costa's attitude and way of doing business.

## Customers and Suppliers

Soares da Costa bases its relations with its customers and suppliers on principles of professionalism, integrity and transparency, namely through:

- Rigour and probity in the management of the business;
- A search for excellence in the quality of services rendered;
- Respect for the laws of fair competition;
- Confidentiality of data provided by third parties, notwithstanding the Group's compliance with mandatory legal and administrative obligations;
- Choice of suppliers using the same ethical and relational criteria, founded on processes involving high levels of transparency;
- Respect for the interests of its customers and suppliers, provided the Group's own interests are not endangered by doing so;
- Treatment of all its customers and suppliers with the greatest professionalism and with total respect and courtesy, in order to ensure the establishment of relationships based on ethical principles consistent with the principles of this code and with the Soares da Costa character and way of doing business.



## Market and Competition

Soares da Costa measures its performance based on the transparency, rigour and integrity of all the information, which it provides to shareholders and the market, in particular that relating to financial aspects, turnover and assets. It also carries out its business activities with total respect for the laws of fair competition.

To that end, and in order to appropriately manage the Soares da Costa, the following behavioural principles are followed, namely:

- Searching to achieve the highest possible return on capital invested;
- Respecting and protecting the interests of shareholders, and safeguarding and increasing the value of assets owned by Soares da Costa;
- Supplying complete and trustworthy information to the market and to shareholders that reflect the true situation of Soares da Costa, and in strict compliance with applicable legislation;
- Strict compliance with laws protecting competition, with any behaviour indicative of carrying out practices involving unfair competition being prohibited .

## Society

As an organisation that intervenes in society through its business activities, Soares da Costa and all of its employees are constantly made aware of the crucial importance of acting responsibly in the communities of which they are part or where they operate.

Thus, in order to contribute towards the progress, well-being and sustainable development of these communities, there are a number of basic working principles to which the Soares da Costa and its employees must adhere:

- Respect for the environment, complying with and making others comply with applicable laws and regulations;
- Taking actions that encourage leisure and cultural activities, promoting interpersonal relationships among employees and sharing these with surrounding communities;
- Communicating practices that encourage respect for and conservation of natural resources, demanding that these be adopted and complied with;
- Support for social solidarity actions;
- Establishing cooperation protocols with schools and universities;
- Promoting traineeships for recently qualified graduates and other professionals (or not graduated) from various technical areas of expertise covered by the Group's areas of activity, in order to enhance their future inclusion in the labour market.

## Monitoring, Compliance, Interpretation and Entry into Force

The intent of this Code of Conduct is that Soares da Costa, through its entire management team and employees, follow up on a daily basis to ensure that it is effectively applied in practice, requiring everyone not only to respect and comply with it, but also to help to contribute towards constantly improving attitudes and behaviour, based on the principles underlined in the code.

The board of directors of Soares da Costa will strive not only to comply with this code but also to clarify any doubts in relation to its interpretation.

Through the respective internal standard was established the policy for reporting irregularities, stating the means by which they can be transmitted and regulating the treatment that, in sequence, should be given.

This code may be complemented, to further develop or regulate it, with more specific codes or standards for application to the whole companies of Soares da Costa.

Any already existing standards which do not conflict with the principles inherent in this code will remain in force.

This Code of Conduct, which came into force in July 2008 and revoked any previous documents on the same subject, was revised in February 27, 2014.

Porto, February 27, 2014

António Castro Henriques  
*Chief Executive Officer*

## Business Principles

### Soares da Costa Construção, SGPS, SA

#### General Principles

Soares da Costa Construção SGPS, SA, and the companies included in the sub-group headed by it, runs its business activities in accordance with the general principles of the Business Code of Conduct:

- Respect for human rights;
- Compliance with the law of each country in which the company operates;
- Adoption of high ethical standards and integrity in its business transactions ;
- Management's efficiency and effectiveness;
- Socially responsible behaviour;
- Respect for the environment;
- Focus on the market and customer satisfaction.

#### Specific Principles of Soares da Costa Construção, SGPS, SA

##### Negotiating in an Ethical Manner

Honesty and integrity are principles that govern our behaviour in all activities carried out for each project. We condemn the use of any form of bribery, corruption and/ or influence trafficking. We also seek to ensure that these principles are complied with by all of our suppliers and subcontractors, selecting partners who demonstrate that they comply with them in carrying out their business activity.

##### Compliance

We comply with all laws and regulations applicable to the construction sector in all countries/ markets in which we operate. Whenever the legal framework of any given country/ market is less demanding than the standards of our own working principles, then we commit to go beyond compliance with that legislation, without compromising the competitive position of the company. In these circumstances, we apply the specific standards of Soares da Costa to each of the markets in which we operate, and guarantee: compliance with international human rights standards; application of health and safety conditions appropriate to the construction project; and the minimisation of any negative environmental impacts.

##### Responsible Employment

We carry out our business activities with the goal of being a fair employer and promoting equality and diversity of opportunities, and we seek to provide fair and exemplary contractual and working conditions. We promote an inclusive working environment, encouraging a culture of responsibility, and one in which each employee can develop his/ her skills and talents. These are principles which we consider to be crucial for attracting and retaining the more skilled employees.

##### Respect for Human Rights

We carry out our business activity in accordance with the Declaration of Human Rights. This is a principle that we also seek to apply to our value chain, selecting suppliers and subcontractors who also demonstrate respect for Human Rights and these principles.



### **Safety Culture**

We approach the management of hygiene, health and safety in a rigorous and systematic manner, adopting a culture of risk prevention for our employees. We are committed to continuous improvement in the prevention of occupational illnesses and work accidents. We create the necessary conditions for protecting and ensuring the physical integrity and safety of our employees, suppliers and the local community, through compliance with the safety plan established for each construction project/ work.

### **Quality and Innovation**

We commit to promoting a culture of innovation which contributes towards the improvement of the quality, efficiency and speed of providing our services. We aim to promote continuous research and development about innovative construction solutions in order to keep abreast of market trends, and we strengthen the position of our company as a benchmark partner in terms of quality and innovation in the construction sector.

### **Free competition**

We compete fairly and ethically, according to the competition laws applicable in the countries/ markets in which we carry out our activities, without hindering other companies in the sector from competing freely.

### **Protection of the environment**

We manage our environmental impacts in a rigorous and systematic manner, minimising the effects of our business on resource consumption – water and energy, and environmental discharges – emissions, waste and effluents, through construction site environmental plans, implemented by our employees and suppliers.

### **Social development**

We aim at being a responsible and active member of the local communities with which we interact. We seek to contribute directly and indirectly towards the wellbeing of these communities, planning appropriately and in a timely manner the location of builders' yards, in order to interfere as little as possible with the surrounding community in terms of visual impacts, noise levels and air emissions.

### **Transparency**

We commit to provide the market with complete and relevant information, but at the same time protecting the confidentiality of our business. We promote transparent communication, which respects all established good practices and standards. We are concerned with providing information on an annual basis about our business' performance and future objectives in the economic/ financial, governance, social and environmental spheres. We also seek to be pro-active in our dialogue with different strategic stakeholders, identifying the changing trends of their expectations about how we should carry out our business sustainably.

### **Be competitive and a benchmark company in the sector**

We continuously follow up on trends in the construction sector in the different geographical markets where we operate. We seek to incorporate innovative construction materials and technologies into our civil construction and engineering projects, whenever these are appropriate to the project and are economically viable.



## How to apply these principles?

Principle	Stakeholder Group (SG)	Company Conduct	Expected SG Conduct
Safety of Operations and Activities	Employees Community Suppliers	Create safe conditions to protect and ensure the physical integrity of all those involved in our business activities so that work can be carried out under safe conditions. Ensure that all company safety standards and rules (internal regulations are almost always more demanding than local legislation in force) are complied with in order to guarantee the safety of employees, the local community and suppliers. Through compliance with this principle, it is hoped that work related accident rates will fall.	Compliance with construction project safety plans by suppliers and employees, who should also make good use of safety equipment provided for their use. Compliance with safety procedures and information boards by the surrounding community.
Promoting quality of life among the local population	Local Community	Appropriate and timely planning and communication of the location of builders' yards, in order to interfere as little as possible with the surrounding community and minimise visual impact, noise levels and air emissions.	Involvement of the community with the solutions found.
Waste and Materials Management	Community Suppliers	Identification of local waste management suppliers and operators, in order to minimise the environmental impacts caused by the emission of air pollutants from their transport and related consumption (transport costs management).	Ensuring quality of service
Transparency of communication	Employees Financial Community Local Community	Promotion of transparent and effective communication, following established standards and good practices.	Provide feedback and act in accordance with communications made.
Ethical Behaviour	Employees	Company acts in accordance with the ethical principles set out in the Group's Code of Conduct	Carry out their work respecting the ethical principles established by the company
Quality and Innovation	Employees Community	Carry out business activities, seeking innovative solutions that contribute towards improving the quality and efficiency of the company's services, as well as the speed of their execution.	Openness to innovation. Employees' proactive attitude towards identifying innovative solutions.
Moving People	Employees Suppliers Community	Focus on finding local resources in order to minimise employee and supplier travel; creation of conditions for the well-being of expatriate employees and suppliers.	Integration of local suppliers into the company culture Integration and motivation of expatriate employees into the local community

SOARES DA COSTA

These Business Principles which came into force in September 2008 and revoked any previous documents on the same subject, were revised in February 27, 2014.

Porto, February 27, 2014

António Castro Henriques  
*Presidente da Comissão Executiva*

## Equal Opportunity and Respect for Diversity Policies

### Soares da Costa Construção, SGPS, SA

#### Goal

This document aims to promote and ensure fair treatment of all company employees. It thus constitutes a formal statement by the company with the objective of preventing all forms of discrimination, unequal treatment, harassment, and offensive, intimidating or other unacceptable behaviour. It applies to all staff linked to the company by a work contract (part or full time and term or indefinite contracts).

Soares da Costa Construção, SGPS, SA recognises the right of employees to be treated in a fair manner. It also recognises its responsibility to provide employees with a work environment that respects their personal dignity and where they are protected against harassment, intimidation, reprisals and/or persecution and where they are equally valued for their professional skills, regardless of their gender, race, nationality, religion, physical handicaps, age, sexual orientation, job level or membership (or non-membership) of unions and workers' associations.

It is punishable with disciplinary action any unfavourable treatment of employees as a result of the above, except if there is justification for doing so for practical reasons related to the specific requirements of his/her job.

#### General Principles

Soares da Costa Construção, SGPS, SA exerts its activity by fulfilling all the principles related to the protection of human rights and respects and promotes equal opportunities and diversity for all employees of the company, in accordance with the established in the Company's Business Code of Conduct.

The patterns of behaviour that are required to the employees in their relations inside the company are, *mutatis mutandis*, the same as are required in their relationships and interactions with the outside world, particularly with employees of other companies and customers (actual and potential).

The company recognizes that harassment, intimidation and reprisals are detrimental to any employee regardless of their status in the company, having an influence on aspects of their health and integrity (physical and psychological) as stress, anxiety, embarrassment in the workplace and personal and family life. They may also have adverse effects on safety, organizational effectiveness and success of the company.

#### Definitions

##### **Equal Opportunities**

Commitment to treating all employees fairly and without bias, with regard to gender, race, nationality, religion, disability, age, sexual orientation, hierarchy of the workplace or association (or not) the unions and labour unions;

##### **Respect for Diversity**

Commitment to valuing diversity by recognizing that different people with different backgrounds and experiences can bring to the organization values that contribute to the improvement of the company's general performance;



### **Harassment / Intimidation**

Harassment can be coated in different ways, be directed to an individual or a group of individuals and occurs whenever someone is involved in an unwanted behaviour and where is violated someone's dignity and/ or created an hostile environment, intimidating, humiliating and / or offensive.

This unwanted behaviour can present itself in the form of: (1) unwanted physical conduct (unnecessary physical contact, abusive behaviour or gestures or insulting, threats or physical aggression); (2) unwelcome verbal conduct (intimations, perverse reviews, abusive language as a form of reference to the gender of a person or group of persons, race, nationality, ethnic or social origin, disability, sexual orientation or other); (3) unwanted nonverbal conduct (overt manifestations and nonverbal characteristics that refer to life staff persons and/ or abusive gestures).

Intimidation is a form of harassment and may include persistent and unsubstantiated criticism, abuse or ridicule, in private or in public, in order to diminish and humiliate someone.

### **Disability**

Situation in which there is an employee who needs that his working conditions are adapted to a physical and/ or mobility specific disability. In these cases the company is committed to take the necessary and reasonable changes to meet the needs of employees with physical or mobility disabilities.

### **Responsibilities**

**All employees** have the responsibility to behave in a manner which is not offensive to their colleagues and others with whom they interact in their work, including people outside the organization. They should also not allow their colleagues to behave in such a manner as to infringe this policy.

In addition, employees must value and respect other employees, ensuring that no one is subject to harassment, intimidation or harm in the workplace; communicate to their superiors any behaviour that violates these guidelines (with you or another colleague, they are aware); promote a work environment where everyone feels confident to report potential violations and develop their personal abilities, encouraging colleagues to adopt a similar stance.

**Area managers and supervisors** assume, in addition to the aforementioned responsibilities, the duty to communicate these guidelines to teams under their responsibility, and ensure its implementation. They should also maintain appropriate standards of behaviour, demanding the same of other employees and manage inappropriate behaviour that is identified by them or by any employee.

Area managers and supervisors should thoroughly investigate any situation of harassment and other forms of inappropriate behaviour, contributing to a resolution as soon as possible, documenting all aspects related to the situation.

In addition to the aforementioned responsibilities, **members of the board of directors** also have the responsibility to lead the organization in the implementation of these guidelines, through a management model and appropriate behaviours and trying to create an internal culture in which all employees are comfortable in the use of their abilities and skills development.

Members of the board of directors also have the responsibility of creating a work environment where all employees feel confident in expressing themselves clearly, for the benefit of the company, and ensure that all reported cases concerning the violation of these guidelines are quickly, efficiently and fairly resolved.

The **Human Resources Department** is responsible for ensuring that all employees (current and future hires) are aware of these guidelines and for the implementations of operational procedures for the identification, tracking, resolution and prevention of situations that do not meet these guidelines.

### Acting

Any **employee** that believes he was treated unfairly and contrary to the guidelines set in this document, should try initially and at its discretion, to talk to the person who is carrying incorrectly, since that person may not be immediate aware of his inappropriate behaviour.

If he believes that even so the problem is not solved, he should report verbally what happened to his hierarchical supervisor/ manager. In the cases where he thinks it is not appropriate to report directly the matter to his manager, he should report it to the Human Resources Department. Verbal communication should be made as soon as possible after the incident was found.

Besides verbal communication, the employee can report the situation in a writing way (to his hierarchical supervisor/ manager or Human Resources management), describing the reason for the complaint, indicating the person who is the victim of disregard of these guidelines and providing details about the inappropriate behaviour.

The **person responsible** which receives a formal complaint should undertake an investigation, supported by the Legal Services, in order to establish the facts, to decide whether disciplinary action is appropriate, offer support to all persons involved in the situation and inform the Human Resources Director, and inform those involved as soon as possible after completion of the research undertaken.

If, after investigation, it appears that, according to the labour legislation in force, there are grounds for disciplinary application, it should be started immediately. The person responsible for disciplinary action shall inform the parties involved in the situation once the process is complete. Disciplinary actions should be implemented whenever deemed that a developer does not comply with the guidelines of this document, and repeated offenses may result in an employee dismissal.

All complaints, as well as all correspondence and surveys will be treated with the help of Legal Services, with the strictest confidentiality. A breach of confidentiality may lead to disciplinary proceedings.

This policy was revised February 27, 2014, shall enter into force on the date hereof, revoking any previous document.

Porto, February 27, 2014

António Castro Henriques  
*Presidente da Comissão Executiva*

## Sustainability Policy

### Soares da Costa Construção, SGPS, SA

For Soares da Costa Construção, SGPS, SA, an effective commitment to Sustainable Development means a balanced approach to ensure the economic viability and prosperity of the company, while at the same time acting in a socially and environmentally responsible manner in order to contribute towards social equity and to minimise the environmental impact of its activities.

By merging elements of its strategic management with the principles of sustainable management defined in this policy, the company demonstrates that it is conscious of its role in society and in improving environmental standards but without losing sight of the economic and financial objectives that are critical for its success.

Through the sustainability policy of Soares da Costa Construção, SGPS, SA, the company commits to promote and contribute towards sustainable business activity, namely by:

- Striving to reduce the environmental impacts of its activities, in terms of consumption of resources and the environmental discharges for which it is responsible, with a view to continuous improvement, based on the monitoring of various key indicators which are part of its Environmental Management System;
- Contributing towards the reduction of work accidents that are a feature of its sector of activity, seeking to improve the health and safety conditions of all of its employees, encouraging training and access to information in this area and controlling all aspects of performance and improvement through its Health and Safety at Work System;
- Investing in promoting employee satisfaction, aware of the fact that human resources are its main asset, supplying them with all the conditions and means at its disposal for this to happen, in the knowledge that their satisfaction will help drive the overall prosperity of the company;
- Striving to contribute in a responsible manner to a fairer and more equitable society, seeking to act among the local communities among which it carries out its business, in order to find the best ways to take action to improve their situation;
- Making efforts so that its concerns and contribution towards more sustainable development are taken into consideration by all those with whom the company establishes relationships, actively encouraging all stakeholders to strive towards helping to achieve its objectives;
- Encouraging research and innovation, in order to seek to contribute towards new materials and processes related to construction activities.

In relation to the above set of objectives, the Soares da Costa Construction, SPGS, SA, represented by its board of directors, commits to implement these principles and ensure that they are followed by everyone, as a means of contributing to create value added for all stakeholders.

This policy, which came into force in April 2008, was revised in February 27, 2014.

Porto, February 27, 2014

António Castro Henriques  
*Presidente da Comissão Executiva*



## Corporate Social Responsibility Policy Soares da Costa Construção, SGPS, SA

Soares da Costa Construção, SGPS, SA is committed to develop, implement and monitor a Corporate Social Responsibility Policy at all levels of the organization, promoting awareness among employees, customers, suppliers and Soares da Costa's companies of the importance of corporate social responsibility.

The board of directors of Soares da Costa Construção, SGPS, SA commits to implement and communicate this policy among its stakeholders, motivating them to support the commitments made, namely to:

- Identify areas and issues for action that reflect the needs of their employees and of the communities with which the company interacts directly or indirectly;
- Dignify and enhance the work of its employees, regardless of hierarchical position and functions of each;
- Strive to ensure that the company's activities and corporate social responsibility actions make a positive contribution towards the quality of life of the community, bearing in mind the needs and concerns of the community;
- Actively involve the company and its employees with local communities, recognising the importance of doing so in a manner sustained by the business objectives of Soares da Costa;
- Plan and implement specific actions relating to this involvement in accordance with the exact needs identified;
- Differentiate the corporate social responsibility actions of the company by focusing on voluntary work by employees, and support and association with national and international projects which promote the wellbeing of the community;
- Support projects, entities or initiatives of an environmental, social and cultural nature, which are within the scope of this policy;
- Periodically review this policy aiming at its continuous improvement.

This policy, which came into force in April 2008, was revised in February 27, 2014.

Porto, February 27, 2014

António Castro Henriques  
*Presidente da Comissão Executiva*

