



# 05

## + Governance

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Good corporate governance is the basis of the success of organizations. Today, we cannot conceive of a prosperous and healthy organization without a good management team, aware that decisions should be based on criteria of economic, environmental and social sustainability.

The government model must also ensure the necessary mechanisms to support and control the activity of the management team, so that the decisions taken by the management team are complemented or reinforced by the different views and perspectives that each body or committee performs within that model.

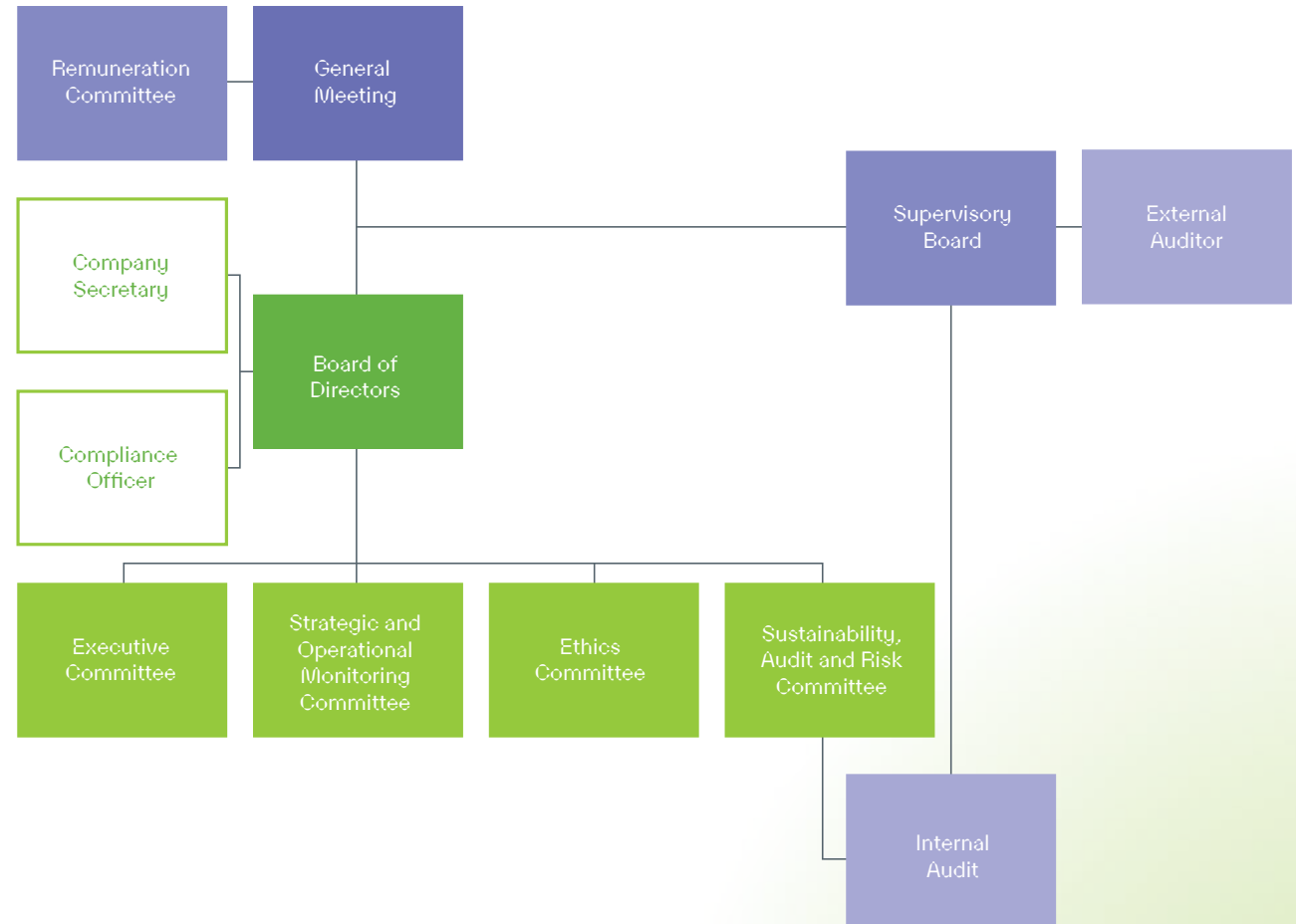
## 5.1 Governance Model

# 5.1 Governance Model

### Organization and operation of the altri group

The Altri Group has a solid government model, composed of the following governing bodies: General Meeting, Board of Directors, Supervisory Board and Statutory Auditor. In compliance with the best practices of good corporate governance, there are four committees within the Board of Directors: (i) Executive Board, (ii) Strategic and Operational & Governance Monitoring Committee, (iii) Ethics Committee and (iv) Sustainability, Audit & Risk Committee. The iteration that is established on a permanent basis between the governing bodies and the committees contributes to an agile and effective management, focused on business, people, the promotion of sustainable development and the mitigation of the risks inherent to the activity.

The adequacy of the existing government model in Altri is subject to annual weighting and analysis by the Strategic and Operational Monitoring & Governance Committee, having concluded that the governance model has proved to be adequate and well sized for the structure and organization of the Group, and that it has contributed decisively to its good management and performance.



## 5.1 Governance Model

For more information on this topic, see the [Corporate Governance Report](#).

During 2023, the following corporate policies and codes of conduct were published:

 <p>Policy Human Rights</p>	 <p>Policy for the Prevention and Fight against Money Laundering and Terrorist Financing</p>	 <p>Plan to Prevent Risks of Corruption and Related Offenses</p>	 <p>Code of Conduct on Corruption Prevention and Related Offenses</p>
 <p>Policy for Participation in the Communities</p>	 <p>Policy to combat harassment in the workplace</p>	 <p>Risk Management Policy</p>	

## 5.2 ESG Responsibilities

# 5.2 ESG Responsibilities

As Altri Group companies increasingly commit to sustainable and socially responsible business practices, the role of the different committees becomes crucial in implementing and overseeing ESG responsibilities.

 <p><b>Executive Committee</b></p>	 <p><b>Strategic and Operational Monitoring Committee</b></p>	 <p><b>Ethics Committee</b></p>	 <p><b>Sustainability, Audit and Risk Committee</b></p>
<p><b>Competencies</b></p> <ul style="list-style-type: none"> <li>Current Management of Altri</li> <li>Provide information regarding the management of the company</li> <li>Ensure the implementation of decisions and policies decided by the Board of Directors</li> </ul>	<p><b>Competencies</b></p> <ul style="list-style-type: none"> <li>Support the Board of Directors in the monitoring and performance of the Executive Board</li> <li>Assist the Board of Directors in the evaluation process of the members of the Executive Board</li> <li>Support the Board of Directors and Executive Committee in matters of assessment and evaluation of corporate governance</li> </ul>	<p><b>Competencies</b></p> <ul style="list-style-type: none"> <li>Monitor the compliance with the Code of Ethics and other codes adopted by Altri and the regulations that complement them</li> <li>Track and verify the correct interpretation and implementation of Altri's Compliance System</li> <li>Receive reports of any violations of the codes and regulations implemented by Altri</li> </ul>	<p><b>Competencies</b></p> <ul style="list-style-type: none"> <li>Propose to the Board of Directors new objectives and sustainability goals</li> <li>Monitor the performance of the defined objectives</li> <li>Review and monitor the investments necessary for its continuation</li> <li>Review and issue an opinion on account announcements and the Annual Internal Audit Plan</li> <li>Ensure monitoring of internal control, efficient risk management, and timely circulation of information between the social bodies</li> <li>Examine the financial information whenever it is submitted to the consideration of the Committee</li> </ul>

## 5.2 ESG Responsibilities



“Contribute to sustainable development and to base strategic priorities on objectives of continuous improvement, innovation and sustainability, assuming sustainability as a factor of competitiveness.”

### Maria do Carmo Oliveira

President of the Sustainability, Audit and Risk Committee  
Non-Executive Director of Altri

In the organizational structure of Altri, the role of the Board of Directors is vital in the efficient delegation of responsibilities and in the definition of strategic guidelines. To this end, the Board of Directors delegates to the Executive Board the responsibility to ensure the management of sustainability and climate change, with the support of the Sustainability Committee and the Sustainability Directorate.

The Sustainability, Audit & Risk Committee supports the Board of Directors, in the sustainability management of the Group and integrates Executive and Non-Executive Directors. Its main objective is to support the Board of Directors and the Executive Board in defining and moni-

toring Altri’s sustainability strategy, in line with the **2030 Commitment**. This committee meets quarterly reporting to the Board of Directors its activity, and issuing prior opinions on matters that are part of the areas affected by it, as a means of supporting the resolutions to be taken by the Board of Directors.

Also in this context is the Sustainability Working Group (GTS) which operates at a corporate level, and includes members from all directorates, with the aim of managing and streamlining sustainability related issues, expediting processes and identifying needs. GTS is responsible for operationalizing the decisions and guidelines defined by the Executive Board and the Board of Directors.



## 5.2 ESG Responsibilities

### Sustainability, Audit and Risk Committee



#### Objectives and goals

Propose to the Board of Directors new sustainability goals and targets for the creation of long-term value.



#### Performance

Monitor the performance of the defined objectives.



#### Investments

Review and monitor the investments necessary for its continuation.



#### Account announcements

Review and issue an opinion on account announcements and the Annual Internal Audit Plan



#### Control and management

Monitor internal control, efficient risk management, and timely circulation of information among the social bodies

### 2022 Integrated report wins APCE Grand Prize

On the 27th edition of the Grand Prize of the Portuguese association of business communication, in the category of Sustainability Communication and ESG, the 2022 Integrated Report of the Altri Group was awarded a prize that seeks each year to distinguish excellence in communication about the good sustainability practices of companies. It is a recognition of Altri's ongoing work to communicate its ESG performance.



## 5.2 ESG Responsibilities

### Ethics

Altri considers that, for a true interdependence and transparency between its activity and the communities in which it operates, a decision-making process based on ethical principles and social responsibility criteria is an essential factor for the continuous improvement of its performance and sustainability.

As such, and considering the increasingly complex global challenges, it is necessary to strengthen robust instruments and practices to ensure compliance with this basic principle. Consequently, Altri highlights the role of its Ethics Committee.



### Ethics Committee



#### ↳ Ethics Committee

Monitor the compliance with the Code of Ethics and other codes adopted by Altri and the regulations that complement them.



#### ↳ Compliance System

Track and verify the correct interpretation and implementation of Altri's Compliance System.



#### ↳ Infractions

Receive reports of possible infractions of codes and regulations implemented by Altri.


This Committee was appointed by the Board of Directors and is responsible for monitoring all issues related to the Group's **Code of Ethics**. The compliance with the Code of Ethics, in force for several years and periodically reviewed, promotes Altri's culture of loyalty and transparency.

The Altri Code of Ethics reflects the principles and rules that should guide the relations of all companies that are part of the Altri Group and the respective stakeholders and aims to guide the personal and professional conduct of all its employees, regardless of their position or role, based on common ethical principles.



## 5.2 ESG Responsibilities

To reinforce the prevention of unethical behaviour, in addition to having a whistleblowing channel, Altri revised its Code of Ethics, clarifying and reinforcing several points, namely:



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The **purpose and values** that must prevail in daily activity and in the relations with stakeholders



↘

The main competencies of the **Ethics Committee**



↘

The **guidelines that drive Altri's relations** with its employees, shareholders, partners, and third parties, as well as the internal relations among employees



↘

The **commitments to sustainability** and obligations to prevent corruption and antitrust practices

In 2023, the following activities of the Ethics Committee stand out:

- **Presentation of the 2024 Equality Plan**, and subsequent publication
- **Investigation and analysis of all complaints** reported to the Ethics Committee, whose investigation processes concluded for the **non-violation of the principles of the Code of Ethics**
- **Participation as an active member since 2022 at the Ethics Forum of the Universidade Católica do Porto**, a space for debate and sharing good practices with other business organizations.

## 5.2 ESG Responsibilities

### Prevention of Corruption

The approval, publication, and entry into force of Decree-Law no. 109-E/2021, of December 9, which establishes the General Regime for the Prevention of Corruption (“RGPC”), has established the obligation to adopt a set of preventive measures by entities with 50 or more employees, namely the adoption and implementation of regulatory compliance programs.

The Altri Group has adopted, within the framework of its compliance program and following the provisions of the RGPC, a Plan for the Prevention of Corruption Risks and Related Infringements (“PPR Altri”), in addition to also having, inter alia, (i) a Code of Conduct on Corruption Prevention and Related Infringements, (ii) a training program, (iii) an internal reporting channel, and (iv) a regulatory compliance officer.

Compliance, Internal Audit, and Risk are responsible for corruption detection and investigation.



## 5.2 ESG Responsibilities

As provided in Altri's Code of Ethics, *"Any claim or suspicion of fraud and corruption seriously damage the image and reputation of any company. Altri requires all its Employees to comply with all applicable national and international standards to combat corruption and to unequivocally adopt upright, honest, and transparent behaviors. The attitude of each one can be reflected in everyone and can affect the image of Altri companies and employees working therein"*.

As provided in the Altri Code of Ethics, integrity, simplicity, courage, and excellence are present in Altri's daily activity, and internal and external relations.

All Altri employees must guide their conduct, in particular, by the following principles:

- i. Strict compliance with the law, regulations, and guidelines of Altri
- ii. Integrity, ethics, and search for excellence in everyday life
- iii. Repudiation of any form of harassment, namely moral, and differentiated treatment according to skin color, gender, ethnic or social origin, sexual orientation, trade union policy or association, religious or other conviction
- iv. Cooperation and professionalism in relations with Partners and with the local communities in which each Altri Group company operates
- v. Conducting business within a framework of trust, rigor, and focus on continuous improvement

- vi. Awareness of the need for confidential treatment of all information that is produced, or to which one has access, during the exercise of functions
- vii. Diligent and parsimonious treatment of all Altri's working instruments or assets, ensuring their protection and good conservation, refraining from any use for their benefit

Altri requires all employees to comply with all applicable national and international standards to combat corruption and the unequivocal affirmation of upright, honest, and

transparent behaviors. — *"All Employees are required to act intransigently toward conducts that are, or may seem, fraudulent and/or that may constitute, or indicate, business models that are not absolutely transparent and honest."*

Corruption incidents can serve as a proxy for measuring the effectiveness of anti-corruption efforts, especially over time. The data serves for the continuous improvement of the compliance program. In recent years there have been no corruption incidents.



## 5.2 ESG Responsibilities

### Collective initiatives in the fight against corruption

Collective initiatives in the fight against corruption are a collaborative and sustained process of cooperation between stakeholders, which aims to increase the impact and credibility of individual action, bringing together individual organizations in an alliance of organizations that share the same ideas.

### Grupo Altri joins PPI – Portuguese Platform for Integrity

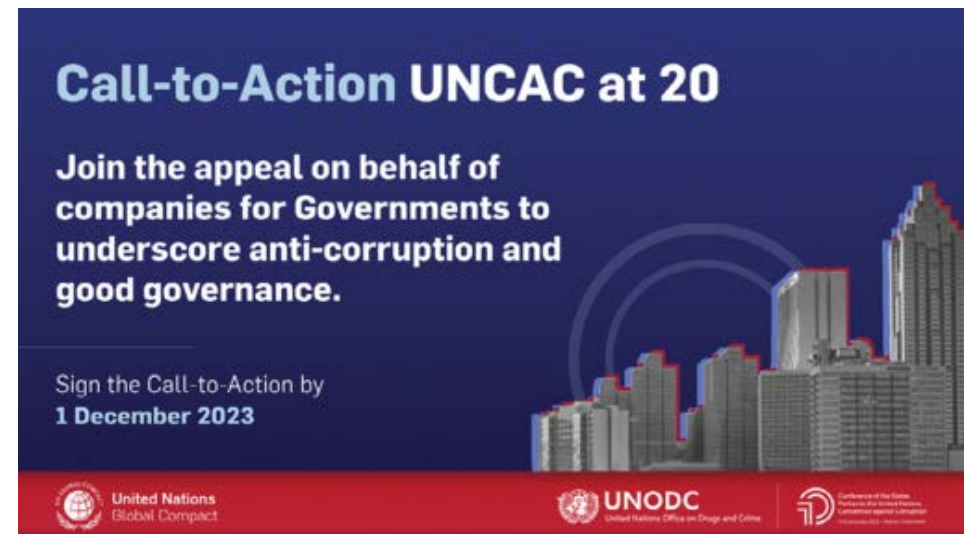
The Altri Group joined the PPI – Portuguese Platform for Integrity at the Forum for Integrity conference organized under the ESGWEEK Week (promoted by APEE - Portuguese Association of Business Ethics and which had the UN Global Compact Network Portugal as a strategic partner).



The Altri Group is one of the signatories of the United Nations Global Compact Call-to-Action against corruption.

Altri has joined a group of companies that, globally, call on governments to step up the fight against corruption and promote good governance as a key pillar of a sustainable and inclusive global economy.

This Call-to-Action, an initiative launched under the 20th anniversary of the United Nations Convention against Corruption (#UNCAC), was presented at the 10th Session of the Conference of the State Parties (CoSP10), which took place in December and served as the basis for government debates and decisions on this subject.



## 5.3 Risks and Opportunities



# 5.3 Risks and Opportunities

In this section, the most significant impacts of the Altri Group are mapped, whether based on risk to people or the environment or on opportunities for products, services, or investments. To ensure the long-term development of Altri, it is crucial to conduct a comprehensible reflection and action. This reflection should include the identification and monitoring of risks and opportunities that may impact Altri's activities to integrate this information into the decision-making process.

Several key factors are increasing the need for companies to carry out climate and water-related risk and resilience assessments, Annex **G. Task Force on Climate-Related Financial Disclosures (TCFD)** presents a risk assessment focused on these topics.

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Climate change and extreme weather events

↘   
Investor interests and requirements

↘   
Community and national regulatory actions

↘   
Changes in markets and new opportunities

## 5.3 Risks and Opportunities

For Altri, a substantive change with financial impact can be described as one affecting the Group directly or its value chain: financially, relevant changes in the main financial KPI (e.g. revenue), or strategically (e.g. changes that make it impossible to pursue Altri's strategic objectives).

Altri's risk management is carried out from a value-creation perspective, with a clear identification of threat situations that may affect business objectives. The Group's risk management, based on sustainability criteria, is becoming increasingly crucial within the organization, and risk management is monitored in a holistic manner (including environmental and social components), with increasing acuteness.



## 5.3 Risks and Opportunities

Within the Quality, Environment, Energy, and Safety Management System, Altri applies a multidisciplinary integrated system in its processes of identification, evaluation, prioritization, management, and risk monitoring. In 2022, Altri

began a project to align the risk management process with the COSO ERM 2017 and ISO 31000:2018 standards.

### Risk Management

- It supports the start of the implementation of a robust Internal Control System at Altri
- The activities carried out (e.g. identification of the main risks, identification of controls) will be integrated with the activities of the other areas
- Existing and developing risk management tools will be capitalized on the definition of the Internal Control System (e.g. Risk Management Manual, list of controls)

### Compliance

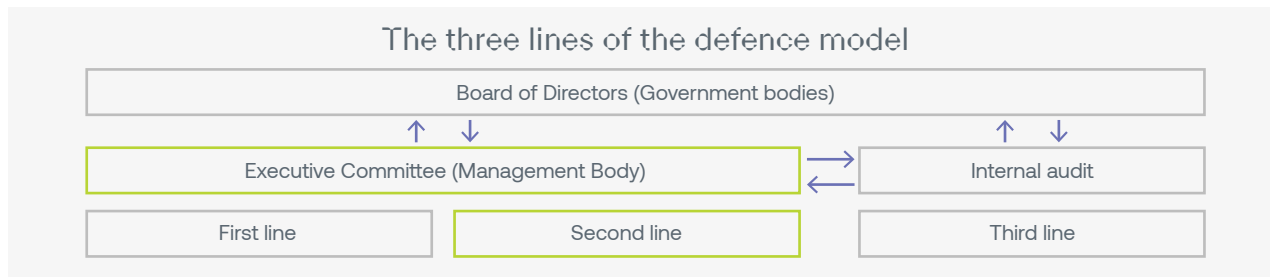
- Definition of policies, operational models, management processes, and compliance programs
- Definition of compliance requirements and identification of the respective risks

### Internal Audit

- IA policies, operating models, management processes and programmes
- Development of the methodology for AI planning

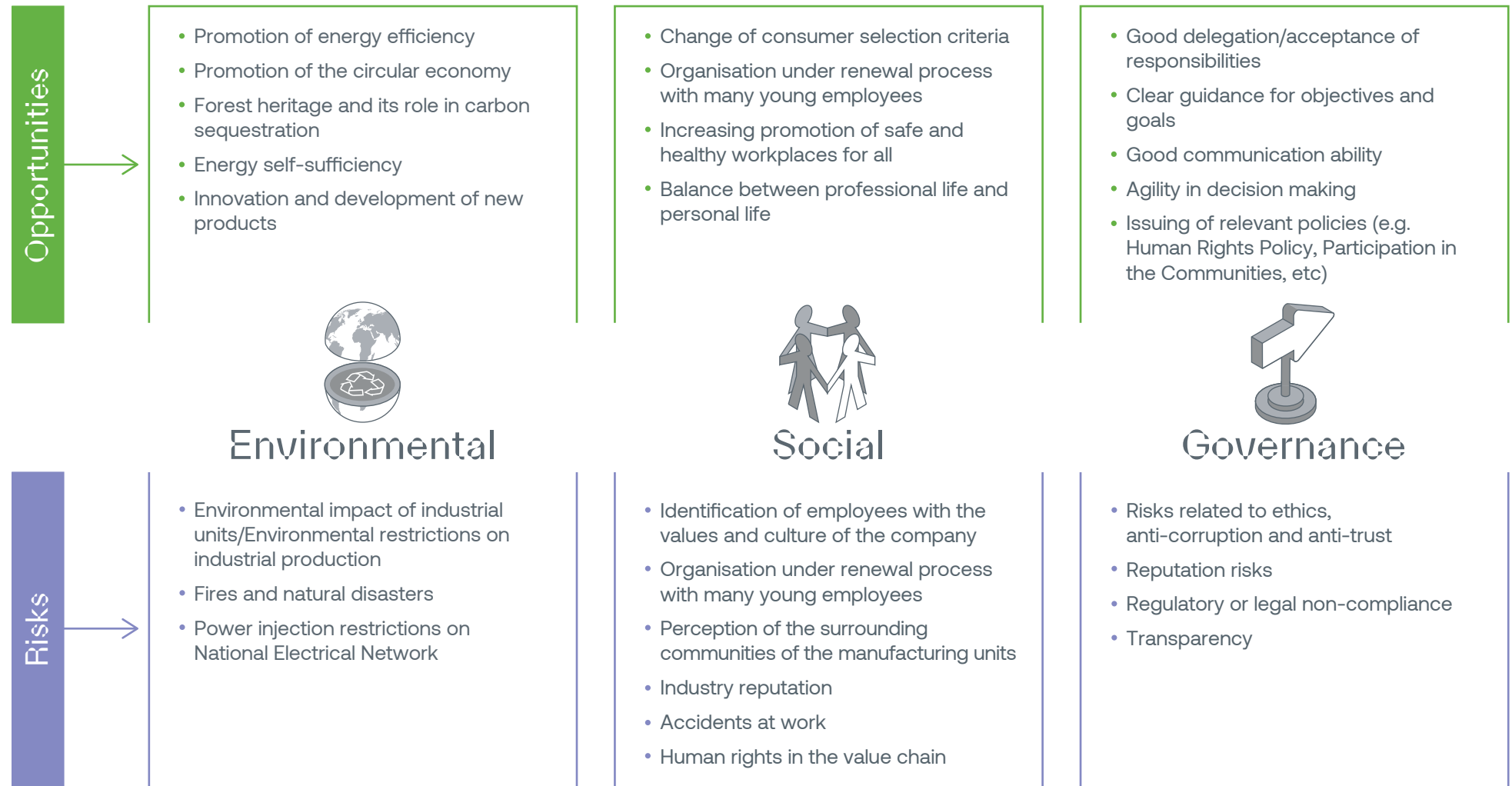
The review of the different risk and business opportunities analyses is done twice a year, which in turn leads to the annual review of mitigation and management actions of risks and opportunities. During these analyses, Altri performs a cross-assessment between the magnitude of the impact and the probability of the occurrence, whose resulting relevance matrix allows the prioritization of the identified risks. The impacts, risks, and opportunities arising from each material topic are described in the respective chapters.

The internal audit activity includes objective analyses for an independent assessment of the adequacy and effectiveness of risk management, internal controls, and governance processes of the organization.



## 5.3 Risks and Opportunities

In the following table are reflected the main risks and opportunities for Altri, revised in 2023, which can be grouped into four main categories: Strategic, Operational, Financial, and Compliance.

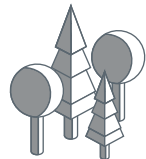




## 5.3 Risks and Opportunities



### Climate Change



### Raw materials



### Digitalization

## 5.4 Fiscal Strategy

# 5.4 Fiscal Strategy

Taxes are a reflection of good financial performance, so Altri recognizes that their payment is a way to contribute to the development of society in general. Thus, Altri is committed to full transparency in the process of creating economic value for the Group, promoting conscious taxation, by encouraging the prevention and fight against fraud, and trying to ensure that the tax strategy complies with economic activity and business and commercial strategies in the various locations where the Group develops its activity.

Altri's fiscal strategy reflects the Group's commitment to follow good fiscal practices, by the applicable law, through the principles of accountability and transparency. To ensure that this objective is achieved, supported by internal guidelines and strict compliance with local laws, international guidelines are adopted in the field of transfer pricing policies, thus enabling fiscal policy to be aligned with the best market practices. A transparent fiscal policy and a responsible fiscal action are also implemented, complying with the contribution to society in the territories with operations, through the payment of taxes. Tax expenses are a natural part of any business, and are seen as a responsibility of the good government of Altri toward society in general. Tax is just one of the many factors that are taken into account in the decision-making process. Based on reasonable and justified grounds, any effects of tax incen-

tives and other benefits or exemptions granted by the Government are taken into account in the decision-making process in response to commercial activity.

The Altri Group does not invest in transactions located in non-cooperating jurisdictions for tax purposes (as defined by the Council of the European Union) or in places of similar secrecy. According to the tax strategy, the locations of the Group companies are motivated by commercial strategies and business rationale.



## Fiscal compliance and governance

Altri has qualified human resources that study, analyze, and ensure the appropriate tax treatment for all aspects of its activity. This team ensures adequate management of the tax risk and ensures compliance with applicable legislation, supported, where necessary, by external tax advisors of recognized know-how and competence, at the national and/or international level.

To facilitate the coordination of tax teams, dispersed throughout the various jurisdictions, the Altri Group becomes united through strong open and continuous communication between the central tax team and the teams of each geography. In situations of uncertainty, the teams of each geography seek to expose the situation to the central team, to develop a joint strategy that may involve tax advisors. Therefore, decisions are centralized in more complex situations.

Altri's fiscal policy is supported by comparative analyses of market best practices and related internal controls, to identify and manage possible associated fiscal risks, and ensure compliance with local tax claims and requirements, as well as other existing requirements.

The Executive Board is always informed of the main tax implications of the most relevant transactions. Based on the principles set out in the Group's Code of Conduct, Altri's fiscal policy describes the main principles and guidelines of taxation at Altri.