



Controlar
innovating industry

Code of **Ethics** and **Conduct**



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Statement from the Board



Pedro Torres

Our behaviour is the sum of the efforts of each one of us and it is these individual initiatives that will enable Controlar to achieve its purpose. Our honesty and integrity depend on making the right individual decisions on a day-to-day basis, regardless of the working constraints that may exist.

Controlar is known for placing great value on being proactive and anticipating customers' needs, without, however, underestimating those who, before making any decision, opt for additional reflection for ethical or integrity reasons. Any uncertainty about what constitutes appropriate behaviour should be brought to the attention of the Ethics Committee through the channels provided.



Fernando Leite

Our principle is therefore that no single aspect should jeopardise our commitment to integrity, whether it's the desire to succeed, the competitive instinct, personal ambition or even a direct order from a senior manager.



The pursuit of excellence must never jeopardise Controlar's core values.

From all stakeholders we expect a serious commitment to this Code of Ethics and Conduct, namely by adopting the principles set out here in a natural way, as well as by "internalising" Controlar's corporate culture.

Controlar is an organisation that is built on trust. Trust in our clients, in our partners and especially in each other. We believe that each and every one of us understands how to embrace and uphold our values and principles within the communities in which we operate.

By doing so, we will be playing our part in creating a better society.

The Board,

Pedro Torres



02.

Purposes and Applicability of the Code of Ethics and Conduct



Controlar's Code of Ethics and Conduct is the document that includes a set of principles that govern the company's activity, as well as a set of rules of an ethical and deontological nature to be observed by all Employees in their relations with Customers, Suppliers and other Stakeholders.

It is also aimed at third parties hired by or acting on behalf of Controlar, in cases where Controlar may be held liable for their activities.

This document was created with the primary purpose of:

a)

Sharing the guiding principles of Controlar's activity and the ethical and deontological guidelines that should govern the behaviour of all Employees, together with promoting the adoption of ethical and deontological principles and rules by our Partners;

b)

Promoting and encouraging the implementation of the principles of conduct and behavioural regulations set out in this Code, namely the company's core values, among Employees and Governing Bodies in their interactions with each other, with Controlar, but also with other Stakeholders;

c)

Consolidating Controlar's corporate image, typified by its mission, vision and core values.



03.

Mission, Vision and Core Values



Mission

To develop automation solutions with innovation, quality and a passion for engineering.

Vision

To be the best technological solution, always close to our customers.

Core Values

Creating and Adding Value

Maximising the company's value chain in order to guarantee a cohesive economic and financial structure, based on the correct sizing of resources and the efficiency of processes, with a view to the organisation's sustained growth, based on foundations that are considered stable, secure and long-lasting.

Environment and Eco-efficiency

Producing more with fewer resources and less environmental impact. Developing products that promote environmental sustainability and maximise the life cycle of products.

Path to Excellence

Providing quality and efficient solutions, products and services of excellence.

Trust, transparency and ethics

Being a partner of the utmost integrity, responsibility and trust, who ensures that the commitments made are met in a transparent and ethical manner.



Circular Economy

Identify opportunities for circularity and the sustainable use of resources in the company and in customer processes, with the aim of diagnosing and implementing strategies, products and services that are in line with a Circular Economy.

People management

Believing in employee development and motivation as a determining factor for success, attracting and retaining the most talented and motivated professionals. Investing in the development of their skills and competences, creating prosperous and attractive working environments and lifestyles balanced between work and family.

Continuous Innovation

To have a strong connection to the industries in which we work, continually analysing new ideas, opportunities, processes and solutions that complement the portfolio of our products and services, creating the future with a view to anticipating customer expectations.



04.

The Purpose of Having a Code of Conduct



The Code of Conduct aims to ensure that all Controlar employees perform at the highest level of integrity, whilst building a better and sustainable future in their area of activity, namely by complying:

- **All legislation applicable to the business;**
- **To respect the principles of the market economy;**
- **To promote fair and honourable competition;**
- **Actively fight against all forms of corruption, active or passive;**
- **To respect property rights;**
- **To prioritise solutions that safeguard social justice when making investment decisions;**
- **To ensure that the company's mission is clear and pursued effectively;**
- **To avoid all forms of abuse of power;**
- **To clearly and loyally define contractual conditions;**
- **To take into account the interests of the community;**
- **Not to carry out any economic practice contrary to the law;**
- **To favour a culture of valorisation and respect for nature;**
- **To use resources sustainably.**



In the workplace, as everywhere else in the world, everything is dynamic. In other words, as we grow and change, new challenges arise every day.

The Code of Conduct is a tool to help you stay on course, guiding us when we don't know which way is up. It is a valuable resource that reflects us as a company.

Controlar stands in solidarity with the United Nations (UN) Declaration on Human Rights and the International Labour Organisation (ILO). The Code of Conduct is intended to be consistent with said guidelines.

Controlar promotes the continuous development of a set of Procedures aimed at providing more detail on the actions and behaviours to be implemented to ensure compliance with internal regulations and the laws in force.

The Code of Conduct applies to all people who work at Controlar on a full-time or part-time basis, to temporary staff and to external stakeholders (such as suppliers, service providers and others).

This document has been drafted to comply with Law 93/2021 and Law 109/2021, fully honouring with the provisions of this legislation. We are committed to monitoring future relevant legislation at both national and international level.



05.

Ethical Principles



Responsible supply of materials

Suppliers must demonstrate and document that the raw materials used in their products are of responsible origin.



Confidentiality

We must implement appropriate measures to respect privacy, protect personal data against loss and unauthorised access or use and comply with relevant privacy and information security laws and regulations, not using the information for our own benefit or for that of third parties.



Fair competition / anti-corruption

Respect fair business standards, behaving in accordance with all applicable anti-corruption or anti-competition laws and regulations.



Conflicts of interest

Commercial transactions will be conducted transparently and with integrity to avoid any possibility of non-compliance.



Intellectual property

Valid intellectual property rights must be respected and commercially reasonable practices must be used to protect the transfer of confidential technology and know-how.



Export Controls and Economic Sanctions

Restrictions applicable to the export or re-export of goods, software, services and technology, as well as restrictions applicable to trade involving certain countries, regions, companies or entities and individuals, must be complied with.



Anti-corruption

Everyone must work against corruption in all its forms, including extortion and bribery; adopting a zero tolerance policy.



Financial Responsibility/Rigorous Records

All business transactions will be carried out transparently and accurately reflected in the company's financial reports and files.



Disclosure of Information

Stakeholders will disclose information in accordance with applicable regulations and prevailing industry practices.



Counterfeit parts

Stakeholders must minimise the risk of introducing counterfeit and/or diverted parts and materials into their products.



Identity protection and non-retaliation

Stakeholders should establish internal whistleblowing channels that allow concerns to be raised anonymously with confidentiality and without retaliation.



Bribes and donations

No payments or anything else of value should be made to third parties to promote the company's business.



06.

Employees



The rules set out in this document must be duly accepted, understood and practised by all employees wherever they work, regardless of their hierarchical position or their specific duties and responsibilities.

**Personal
Development and
Professional
Progression**

Controlar places a high value on the professional and personal development of its employees, promoting their ongoing training as a means of enhancing their performance and motivation. The selection, remuneration and professional progression policies adopted are guided by criteria of merit and market reference practices.

Non-discrimination

Controlar observes the principles and values contained in national and international legislation on human and social rights. Discriminatory behaviour on the grounds of gender, race, ethnicity, religious conviction, party affiliation or any other is not permitted and equal opportunities are fostered, ensuring integrity and dignity in the workplace.

**Bribery or
Corruption**

Controlar condemns any acts in which compensation or benefits are offered or accepted that influence the behaviour of others in order to obtain advantages for itself or the company.



Hygiene and safety

Controlar provides a healthy, safe and pleasant working environment that fosters employee well-being and productivity.

Value Creation

Controlar conducts its business with a vision of creating long-term value, respecting the principles of sustainability and corporate and environmental social responsibility.

Social Responsibility

Controlar rejects all forms of forced labour and respects the principle of free choice of employment. It respects freedom of association and the right to form interest groups. It grants its employees the right to articulate their interests within the framework of the labour laws in force in their country.

The company provides fair working conditions, pays wages and social benefits at or above the rates prescribed by national or regional authorities, legal standards or other labour agreements. It observes the applicable rules on working hours and holiday entitlement.



Employees' duties

1) Training Requirements

The employees commit to updating their knowledge and skills by attending the training sessions defined by the company and others recommended to them.

2) Innovation and initiative

In order to achieve the collective objectives, a committed and proactive individual attitude must be employed, implementing innovative solutions that outweigh the value created by applying traditional solutions.

3) Interpersonal relationships

The relationship between all Employees and Management must be based on mutual respect, loyalty, co-operation, honesty and clear communication, in the joint pursuit of excellence in the collective result.

4) Integrity and loyalty

Employees and Management are forbidden to use this capacity or their hierarchical position, as well as the image, name or brand of Controlar, for personal gain, that of their family members or any third parties. In the performance of their duties and in internal and external relations, Employees and Management must adopt a suitable and dignified behaviour, safeguarding the prestige of the company.

Controlar employees must apply this standard by always referring to the company with respect, loyalty, common sense and in line with the general guidelines of this Code of Ethics and Conduct.



5) Responsibility

Employees must carry out their duties responsibly and professionally, protecting the company's assets by using resources wisely and rationally.

6) Confidentiality

Employees are required to protect the confidentiality of the information they have access to in the course of their duties and may not use it to gain an advantage for themselves or for third parties.

7) Proprietary Information and Abuse of Information

Employees who have access to inside information in any capacity are expressly prohibited from communicating it, using it or facilitating its use by third parties for their own benefit.

8) Sustainability

Sustainability is seen as a responsibility shared by all Controlar employees.

9) Conflict of Interest

Employees must not intervene in decision-making processes that directly or indirectly involve organisations with which they collaborate or have collaborated, or people with whom they are or have been linked by ties of kinship or friendship. If they are unable to refrain from intervening in the aforementioned processes, all Employees must inform their hierarchical superior of the existence of such relationships. Employees must refrain from participating in or exercising functions in organisations in which their activities may conflict with the performance of their duties at Controlar, or whose purposes may be contrary to those of Controlar.

10) Non-competition

Employees may not engage in activities that compete with those carried out by Controlar or its subsidiaries.



Commercial Gifts and Offers

Controlar does not encourage the practice of giving or receiving gifts or commercial offers (excluding merchandising material) with the exception of specific cases defined in the Risk and Corruption Prevention Plan. Said regulation includes goods, services or any advantages from Suppliers, Service Providers or any other individual or collective entity that has, has had, or intends to have business relations with Controlar.

Property protection

Controlar's assets are for professional use only and may not be used to benefit oneself or others.

It is the responsibility of all Controlar employees to safeguard and protect the company's physical, financial and intellectual assets, and resources must be used efficiently.

Employees must behave in accordance with safety regulations, preventing the occurrence of accidents and not putting the company's assets at risk.

Employees must look after the company's financial resources with utmost zeal, protecting them from loss, theft or misuse.

Employees may not obtain benefits either for themselves or for third parties through the use of "know-how" or information relating to Controlar's business.



07.

Communities



Controlar has an active social accountability policy and contributes to improving the communities in which its businesses operate, with a strong concern for the environment, economic and social well-being in addition to the development of human expertise.

It is understood that the existence of a continual exchange with the various entities that make up the community is crucial to the long-term success of the company's activities, as the existence of such communication channels makes it easier to identify the main aspects for improvement.

The company aims to contribute to the training and education of its stakeholders, encouraging the pursuit of healthier lifestyles as well as promoting social responsibility practices.



08.

Customers



All Controlar employees, regardless of their hierarchical level, must focus their activities on developing a relationship of empathy and trust, based on the best value proposition, and in order to ensure the satisfaction of our customers.

When dealing with customers, employees must carry out their activities in accordance with the commitments made by Controlar:

- ↘ Earning the customer's trust;
- ↘ Reporting with transparency and truth;
- ↘ Adopting an attitude befitting an organisation dedicated to fulfilling its commitments;
- ↘ Treating customers with professionalism, respect and loyalty;
- ↘ Providing customers with excellent products and services;
- ↘ Providing customers with the information they need to make informed decisions and ensuring scrupulous compliance with the agreed conditions;
- ↘ Respecting the privacy of customer information by complying with applicable legislation.



How do we want Customers to look after Controlar Employees?

When customers come into contact with Controlar employees or those carrying out activities on behalf of Controlar, they must proceed:

- ↘ With respect;
- ↘ With transparency and truth;
- ↘ With professionalism, respect and loyalty;
- ↘ Providing all the means and information necessary to carry out the contracted activities;
- ↘ Respecting the privacy of suppliers' information and complying with applicable legislation.



Environment



Environmental awareness

Controlar is aware of its responsibility towards the environment and sustainability, and adopts and encourages the responsible use of natural resources and the preservation of the environment, namely by promoting eco-efficient management that minimises the environmental impacts resulting from the company's activities. Sensitisation, awareness-raising and training activities are promoted, encouraging all employees and other interested parties to adopt the good environmental practices implemented.

Sustainable Development Goals

In line with the 2030 Agenda and the SDGs, Controlar's targets include various activities that contribute to a more sustainable and inclusive future.

Carbon neutrality

Controlar has set its sights on achieving carbon neutrality by 2040, developing a sustainability strategy in all areas of its operations that will enable it to reach said goal. Every year the Carbon Footprint is publicly disclosed on the CDP platform, allowing all our stakeholders to monitor this figure.



10.

Suppliers



Responsibility in the selection process

Controlar selects Service Providers and Suppliers on the basis of clear and impartial criteria, one of the criteria for their selection being their compliance with standards of conduct that do not conflict with those contained in this Code.

Integrity

Controlar operates with loyalty and good faith in its relationships with its business partners, establishing clear and objective communication with them with a view to consolidating a long-term relationship of trust.

Transparency

Controlar adopts procedures guided by principles of economic rationality and efficiency. Its business practices are transparent and fair, and no form of abuse or bribery, corruption or money laundering is tolerated.



11.

**Government,
Regulators and
Financiers**



Co-operation

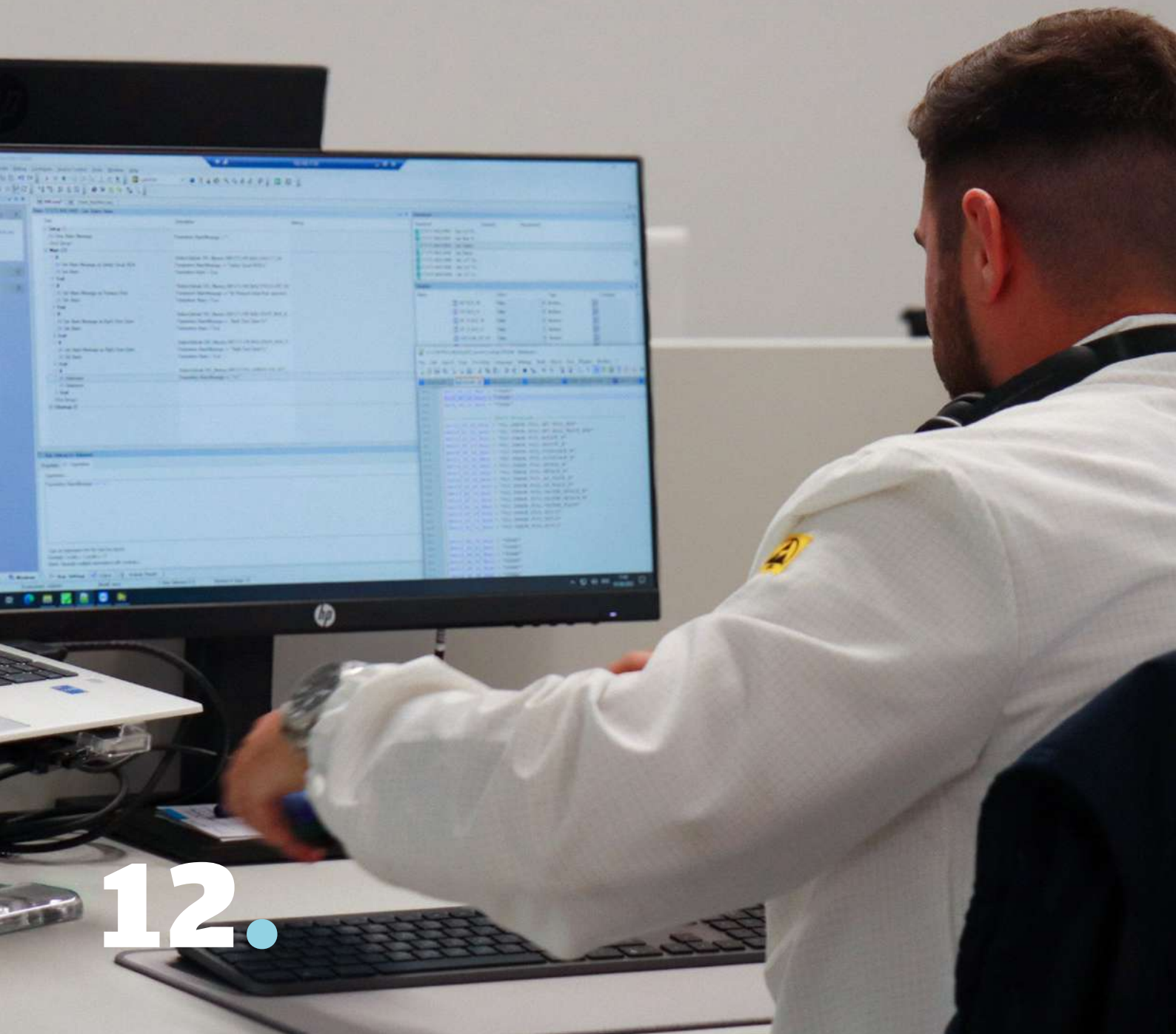
Controlar has a co-operative attitude towards public authorities and local communities, guided by rules of transparency and independence, with complete willingness and openness to improve the legal environment of its business.

Independence

Controlar is independent of public institutions and political parties, without prejudice to professional relationships. Under no circumstances does it finance political parties or organisations whose mission is essentially political.

Respect/fulfilment of duties

The applicable national legislation in force in the countries in which Controlar operates is strictly observed and all its legal and contractual obligations are duly complied with. All information requested, and required under the terms of the law, will be provided to public and supervisory bodies in a rigorous, appropriate and timely manner.



12.

Competition



Cordiality and Mutual Respect:

Controlar respects legal regulations and market criteria, promoting fair and healthy competition. Relationships with Competitors are governed by principles of friendliness and mutual respect.

Intellectual Property

Controlar is committed to respecting the intellectual property rights of its competitors.



Shareholders



Value Creation

The company is committed to sustainably maximising the creation of value for its shareholders, in strict compliance with the company's core values.

Rigour

The financial and management information shall faithfully, up to date, completely and truthfully convey the company's financial position, its results and liabilities, as well as the most relevant policies adopted.

Inside Information and Information Abuse

Controlar ensures respect for the protection and non-abuse of privileged information, imposing strict compliance with the legal or regulatory rules in force on its shareholders.

Donations

Controlar expresses its civic commitment by granting monetary or in-kind donations for training, science, culture and social causes. The regulations governing the allocation of such donations are duly established exclusively by Controlar's Board of Directors.

In making such donations, we are not motivated by self-interest and clearly differentiate them from sponsorship.



14.

Controlar Group



All Controlar employees, regardless of their hierarchical level, must focus their activities on developing a relationship of empathy and trust, as well as responsible and fair behaviour towards all the group's companies.

These principles are a fundamental part of Controlar's core values.



Whistleblowing Channel



In order to ensure that Contrôlar's Code of Ethics and Conduct is monitored and duly complied with, as well as to give all Contrôlar's stakeholders the opportunity to report anomalous situations in the company's operations, a Whistleblowing Channel has been set up.

This channel allows whistleblowers to report anonymously, without having to include any personal or contact information, or log in to an internal company platform. Even so, the whistleblower is given the possibility to follow up the complaint using a code created during submission and a password chosen by the whistleblower.



The information submitted is considered confidential and only the Whistleblower Manager has access to it.

With the information available, the Whistleblower Manager will be able to:

- ↘ Ask the whistleblower for extra information;
- ↘ Ask for relevant testimonies to obtain more information about the case in question;
- ↘ Ask for relevant specialised information whenever necessary;
- ↘ File the complaint if it is concluded that there is insufficient evidence, or that the reported case is not the subject of improper activity;
- ↘ Decide on the actions to be taken by the company, which could be to open disciplinary proceedings or to send all the information to higher institutions.

This platform can be visited via the following link:

<https://controlar.factorialhr.pt/complaints> 



16.

Ethics Committee and monitoring the application of this Code



Controlar's Board of Directors has appointed an Ethics Committee whose mission is to act independently and impartially.

The Ethics Committee is made up of the following members, who may be changed at any time by the Board of Directors:

- ↘ Human Resources Director
- ↘ Quality Director
- ↘ RGPC
- ↘ DPO
- ↘ Whistleblowing Manager



The main duties of this committee are:

- 1)** To promote the existence of means of publicising the Code of Ethics and Conduct among its recipients;
- 2)** Analysing and responding to questions submitted to it, as well as those referred to it by interested parties within its remit, making the recommendations it deems appropriate to the nature of the case;
- 3)** To verify the existence of internal mechanisms for reporting irregularities, making sure that they comply with legal rules, particularly with regard to confidentiality, the process for processing information and the absence of reprisals against participants;
- 4)** Proposing to the Board of Directors the approval of changes to the Code of Ethics and Conduct, whenever it deems it appropriate;
- 5)** Monitoring and evaluating the applicability of legislation;
- 6)** Evaluate the Corruption Risk Prevention Plan Framework on a regular basis, in accordance with the established legal deadlines;
- 7)** Issue, on its own initiative or at the request of Stakeholders, clarifications on the interpretation of any provision of the Code of Ethics and Conduct;
- 8)** Receive, assess and forward to the Board of Directors any irregularities reported to the Ethics Committee whenever, in its opinion, they indicate a violation of the regulation of this Code of Conduct;



9) Regulate its operation and periodically report on its activity to the Board of Directors, as well as to the entities to which reporting is due under the terms of the law or the corporate governance model adopted;

10) Ensuring compliance with and updating of the "Corruption Risk Prevention Plan";

11) Other duties delegated by the Board of Directors within this framework.

At committee meetings, if there is no quorum (two-thirds of the votes), the Board of Directors is responsible for deciding how to replace absences.



17.

Disclosure



This Code is available on the Controlar website - <https://controlar.com>  - as well as through other internal means.

When entering into an employment contract, each employee signs a statement to the effect that they are aware of the Code and are individually committed to complying with it.

Any queries relating to the interpretation or application of this Code should be reported to the Ethics Committee through any of its members.

Annex

This Code of Conduct and Ethics includes the “**Corruption Risk Prevention Plan**”, the methodology and risk assessment criteria.



Methodology

The methodology for identifying, analyzing and classifying risks and situations that may expose Controlar to acts of corruption and related offenses, aligned with the requirements listed in Decree Law No. 109-E/2021, of December 9, considered:

- a)** The areas of activity of the entity at risk of committing acts of corruption and related offenses;
- b)** The probability of occurrence and the foreseeable impact of each situation, in order to allow the grading of risks;
- c)** Preventive and corrective measures that reduce the probability of occurrence and the impact of identified risks and situations;
- d)** In situations of high or maximum risk, the most exhaustive prevention measures, with their implementation being a priority;
- e)** The designation of the person generally responsible for the execution, control and review of the PPR, who may be responsible for regulatory compliance.

Thus, the risk level is obtained by applying the levels of probability of occurrence x impact for each of the identified risks.

Periodic assessment twice a year (April and October - management review)



Criteria

Probability		Criteria	
Remote	1	Probability of this type of hazard occurring in the organization between 0% and 60%	It can occur twice a year
Likely	2	Probability of this type of hazard occurring in the organization between 61% and 90%	It can happen more than twice a year
Very Likely	3	Probability of this type of hazard occurring in the organization $\geq 91\%$	It can occur frequently

Impact		Criteria	
Low Impact	1	Loss of confidentiality or integrity does not significantly affect financial results, legal or contractual obligations or your reputation	Risks have insignificant or reversible consequences in the short and medium term with insignificant costs
Moderate impact	2	Loss of confidentiality or integrity generates additional costs or has a moderate or low impact on legal or contractual obligations or your reputation	Risks have reversible consequences in the short and medium term with low costs
High impact	3	Loss of confidentiality or integrity has a significant and immediate impact on the company's cash flow, legal or contractual obligations or its reputation.	Risks have reversible consequences in the short and medium term with high costs

	Impact		
	1 Low	2 Moderate	3 High
1 Remote	1	2	3
2 Likely	2	4	6
3 Very Likely	3	6	9

Category	Risk level	Description	Action
High	> 6	They are unacceptable and must be given priority treatment .	Treat
Moderate	4 - 6	They are unacceptable and must be treated in the short or medium term .	Treat
Low	1 - 3	They are considered acceptable, requiring only registration and not requiring specific treatment actions .	Accept

**Innovation, Quality
and **Passion for
Engineering.****

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