PLAN FOR THE PREVENTION OF CORRUPTION RISKS AND RELATED OFFENSES

2024 | 2025

INDEX | PAGE

OBJECTIVE

This plan aims to contribute to the prevention of corruption and related offenses, in accordance with Decree-Law No. 109-E/2021, of December 9, which established the National Anti-Corruption Mechanism (MENAC) and the General Corruption Prevention Regime (RGPC).

IDENTIFICATION OF CORRUPTION RISKS AND RELATED OFFENSES

Corruption refers to the act, whether lawful or unlawful, carried out in exchange for an undue advantage or benefit, either for personal gain or for third parties, resulting from the exercise of one's duties.
Related offenses include various illicit practices directly or indirectly linked to corruption, which may cause different types of harm.
Examples of related offenses include:

- Misappropriation
- Collusion and complicity
- Favoritism
- Breach of professional secrecy
- Violation of duties and conflicts of interest
- Fraud
- Internal or external fraud
- Abuse of trust
- Unlawful accumulation of duties
- Data and document falsification
- Corruption in international trade or private sector activities, including sports-related misconduct.

According to the law, corruption and related offenses include crimes such as bribery, illicit receipt or offer of advantages, embezzlement, economic participation in business, abuse of power, malfeasance, influence peddling, money laundering, and fraud in obtaining or diverting subsidies, grants, or loans.

PRIMVS CERAMICS

Global Risk Categorization	RISk TYPE	CONCEPT
CORRUPTION	Active Corruption - Article 374 of the Penal Code; and Article 9 of Law No. 50/2017, of August 31	When someone, either personally or through an intermediary with their consent or ratification, offers or promises a material or non-material advantage to an employee, or to a third party with the knowledge of the employee, which is not due to the employee, with the aim of obtaining any act or omission contrary to the duties of the position.
	Passive Corruption - Article 8 of Law No. 50/2017, of August 31	When the employee, either personally or through an intermediary with their consent or ratification, requests or accepts, for themselves or for a third party, a material or non-material advantage, or its promise, in exchange for performing any act or omission, whether or not contrary to the duties of the position, and the advantage is not due to them, even if prior to such request or acceptance.
RELATED OFFENSES	Improper Offering of Advantage - Article 372 of the Penal Code	When someone, either personally or through an intermediary with their consent or ratification, offers or promises a material or non-material advantage to an employee, or to a third party at the direction or with the knowledge of the employee, which is not due to them, in the course of their duties or in relation to them.
	Influence Peddling - Article 335 of the Penal Code	When someone, either personally or through an intermediary with their consent or ratification, requests or accepts, for themselves or for a third party, a material or non-material advantage, or its promise, to abuse their real or supposed influence with any public entity, either national or foreign.
	Money Laundering - Article 368-A of the Penal Code	When someone: a) Converts, transfers, assists, or facilitates any operation of conversion or transfer of advantages – obtained by themselves or by a third party, directly or indirectly – derived from the commission of a certain set of predicate crimes, with the aim of disguising the illicit origin of these advantages, or of preventing the author or participant of these offences from being criminally prosecuted or subjected to criminal reaction; or b) Conceals or disguises the true nature, origin, location, disposition, movement, or ownership of the advantages derived from the commission of predicate crimes, or of the corresponding rights. Predicate crimes include: a) Prostitution; b) Sexual abuse of children or dependent minors; c) Extortion; d) Drug trafficking and psychotropic substances; e) Arms trafficking; f) Trafficking in human organs or tissues; g) Trafficking of protected species; h) Tax Fraud; i) Influence peddling; j) Corruption; k) Embezzlement; l) Financial participation in a business; m) Harmful administration in a public sector economic unit; n) Fraud in the obtaining or diversion of subsidies, grants, or credit; o) Economic-financial offences committed in an organized manner, using information technology; p) Economic-financial offences of international or transnational scope; q) Sale, circulation, or concealment of counterfeit products or goods; Crimes punishable by a prison sentence of more than six months' minimum duration or a maximum duration of more than five years.
	Fraud in the Obtaining of Subsidy or Grant - Article 36 of Decree-Law No. 28/84, of January 20	Anyone who obtains a subsidy or grant: a) Providing the competent authorities or entities with inaccurate or incomplete information about themselves or third parties, relating to facts important for the granting of the subsidy or grant; b) Omitting, contrary to the provisions of the legal framework of the grant or subsidy, information about facts important for its granting; c) Using a document justifying the right to the subsidy or grant, or facts important for its granting, obtained through inaccurate or incomplete information.
	Misappropriation of Grant, Subsidy or Preferential Credit - Article 37 of Decree-Law No. 28/84, of January 20	Anyone who uses: a) Benefits obtained as a subsidy or grant for purposes other than those legally intended; Anyone who uses a benefit obtained through preferential credit for a purpose other than that specified in the credit line determined by the legally competent entity.
	Misappropriation of Grant, Subsidy or Preferential Credit - Article 37 of Decree-Law No. 28/84, of January 20	Anyone who, when submitting a proposal for the granting, maintenance, or modification of the conditions of a credit intended for an establishment or company: a) Providing inaccurate or incomplete written information intended to support the application or important for the decision regarding the request; b) Using inaccurate or incomplete documents related to the economic situation, including balance sheets, profit and loss accounts, general descriptions of assets, or expert assessments; c) Concealing any deterioration in the economic situation that occurred after the credit application and that is important for the decision regarding the request.

CONFLICT OF INTEREST	Hiring	When a personal interest of the employee conflicts with the interest they must safeguard in the performance of their duties within the company, and thus may also interfere with the interests of the company.
WHISTLEBLOWER PROTECTION	Whistleblowing of Offences - Law No. 93/2021, of December 20	Failure to comply with the general regime for whistleblowers, which requires, in particular, the implementation of an internal reporting channel that ensures the completeness, integrity, and preservation of the report, the confidentiality of the identity or anonymity of the whistleblower, the confidentiality of the identity of third parties mentioned in the report, and the prevention of access by unauthorized individuals.
HARASSMENT	Combating Harassment - Article 29 of the Labour Code	It refers to undesirable behavior, particularly based on discriminatory factors, occurring during access to employment or within employment, work, or professional training, with the aim or effect of disturbing or intimidating the individual, affecting their dignity, or creating an intimidating, hostile, degrading, humiliating, or destabilizing environment.
GLOBAL	Global Risk	It refers to a risk that covers all areas of regulatory compliance.

WHAT IS MENAC?

The National Anti-Corruption Mechanism (MENAC) is an independent administrative entity with legal authority and financial autonomy, operating nationwide in the prevention of corruption and related offenses. Its mission is to promote transparency and enhance the effectiveness of prevention measures.

MENAC is responsible for approving the General Corruption Prevention Regime (RGPC), ensuring its promotion and enforcement.

COOPERATION AND EXERCISE OF POWERS

To fulfill its responsibilities, MENAC cooperates with various entities, including the Public Prosecutor's Office, the Judiciary Police, the Directorate-General for Justice Policy, the Court of Auditors, civil society organizations, and other public or private entities.

Additionally, MENAC may request the relevant government authority to conduct regional inspections and audits.

INDICATIONS OF CRIMINAL OFFENSES AND FINANCIAL VIOLATIONS

If identified violations indicate a criminal offense, MENAC reports them to the relevant authorities for investigation.

If identified violations suggest financial offenses, MENAC communicates them to the Court of Auditors for appropriate measures to be taken.

CORRUPTION PREVENTION MECHANISM

MENAC is responsible for initiating, processing, and ruling on cases related to regulatory infractions. Requests, communications, notifications, or any other declarations related to the corruption prevention regime may be submitted electronically, including through the Citizen Card and Digital Mobile Key.

CORRUPTION PREVENTION MEASURES

The company appoints Dr. Paulo Manuel Jesus Seabra de Almeida as the person responsible for complying with the mentioned legislation.

The Corruption and Related Offenses Risk Prevention Plan (PPR) is aligned with a Code of Ethics and Conduct and a Whistleblowing Channel to prevent, detect, and penalize corruption and related offenses committed against or through the organization.

This plan covers the entire organization and its activities, including administration, management, operations, and support areas.

The plan involves identifying, analyzing, and classifying risks and situations that may expose the company to corruption and related offenses. It also includes preventive and corrective measures to reduce the likelihood and impact of identified risks.

Thus, the plan includes:

a) Areas of activity within the company that present corruption risks.
b) The probability and potential impact of each situation, allowing risk levels to be assessed.
c) Preventive and corrective measures to minimize risks and their impact.
d) Stricter prevention measures for high or maximum risk situations.
e) The designation of a general responsible party for the implementation, control, and review of the plan, which may be the compliance officer.

RISK MATRIX

The plan analyzes the risk matrix that covers the entire organization and activities of Primus Ceramics S.A., in accordance with Article 6(3) of Decree-Law No. 109-E/2021.

Primus Ceramics S.A. falls under the RGPC and, consequently, this risk matrix.

ACTIVITIES	POTENCIAL RISKS	PROB. OCCURRENCE	IMPACT	RISK LEVEL	PREVENTIVE MEASURES
SALES AND SERVICES DEPARTMENT					
Commercial Acquisition	Independence in the decision-making process of acquiring clients who are related parties or whose business is of personal interest.	LOW	LOW	VERY REDUCED	- Implementation and compliance with a conflict of interest management policy - Identification of related parties with which Primus Ceramics, S.A. and its partners have business relationships.
	Establishing business relationships with clients: (i) with a poor image, reputation, and integrity; (ii) associated with investigations and/or adverse court decisions related to corruption crimes or related offenses; (iii) subject to sanctions imposed by the European Union, United Nations, or the government of a country where the third party operates.	LOW	LOW	VERY REDUCED	- Implementation and compliance with a Anti-Money Laundering and Counter-Terrorism Financing Policy - Conducting Know Your Customer (KYC) procedures prior to the acceptance of new clients - Continuous monitoring of client risk and the establishment of enhanced due diligence measures for clients classified as high risk.
	Occurrence of bribery, influence peddling, and/or offers to public or private sector employees, with the aim of securing the award of a contract.	LOW	MEDIUM	REDUCED	- Implementation and compliance with a policy on gifts and hospitality with predefined criteria and procedures - Segregation and restriction of access and authorization to move funds in bank accounts - Formal submission of public tender applications through existing platforms designed for that purpose - Approval of expenses incurred by employees by independent supervisors.
Formalization of new clients	Drafting and formalizing contracts with ambiguous payment terms (deadline and credit limit) and/or assignment of roles that hinder the interpretation, verification, and monitoring of services and payment control.	LOW	LOW	VERY REDUCED	- Use of standard contract templates.
Negotiation and definition of prices, discounts, and other terms to be applied with clients	Granting unjustified discounts to clients whose reasonableness is ambiguous, in exchange for benefits unrelated to the organization.	LOW	LOW	VERY REDUCED	- Establishment of system controls that require additional approvals when granting excessive discounts to clients.
	Negotiating commercial proposals with clients that are disadvantageous and/or result in direct losses for Primus Ceramics, S.A. in exchange for benefits unrelated to the organization.	MEDIUM	LOW	REDUCED	- Involvement of multiple stakeholders in the negotiation and formalization of contracts process.

ACTIVITIES	POTENCIAL RISKS	PROB. OCCURRENCE	IMPACT	RISK LEVEL	PREVENTIVE MEASURES
PURCHASING					
Hiring and/or subcontracting of suppliers	Hiring or subcontracting third parties: (i) with a poor image, reputation, and integrity; (ii) associated with investigations and/or adverse court decisions related to corruption crimes or related offenses; (iii) subject to sanctions imposed by the European Union, United Nations, or the government of a country where the third party operates.	LOW	LOW	VERY REDUCED	- Conducting Know Your Supplier (KYS) procedures prior to establishing a relationship with new suppliers - Implementation and compliance with specific rules for business partnerships with third-party entities - Continuous monitoring of supplier and partner risk and the establishment of enhanced due diligence measures for suppliers classified as high risk.
	Unapproved hiring/subcontracting or approvals made with an inappropriate level of delegated authority.	MEDIUM	LOW	REDUCED	- Existence of a workflow in the system, involving different levels of approval.
	Establishment of prices and payment and/or supply conditions that are not reasonable and proportional to the services/products acquired.	MEDIUM	LOW	REDUCED	- Implementation and compliance with the purchasing policy - Existence of a workflow in the system, involving different levels of approval.
	Drafting and formalizing contracts with ambiguous payment terms and/or with a broad/ambiguous/unclear contractual subject, hindering the interpretation, verification, and monitoring of services and payment control.	LOW	LOW	VERY REDUCED	- Requirement for issuing purchase orders for all purchases, followed by the corresponding system registration and completion of the contract subject.
	Occurrence of bribery/corruption situations by entities that represent or act on behalf of Primus Ceramics, S.A.	LOW	LOW	VERY REDUCED	- Conducting Know Your Supplier (KYS) procedures prior to establishing a relationship with new suppliers - Implementation and compliance with specific rules for business partnerships with third-party entities.
	Transactions with related parties involving management members where the business rationale is not transparent and/or the scope of the business is not formally defined.	LOW	MEDIUM	REDUCED	- Implementation and compliance with a conflict of interest management policy - Identification of related parties with which Primus Ceramics, S.A. and its partners and employees have business relationships - Continuous monitoring of transactions with related parties.
	Receipt of bribes, undue advantage for the selection, hiring, and/or favoritism of one supplier over another.	LOW	LOW	VERY REDUCED	- Implementation and compliance with the purchasing policy - Existence of a workflow in the system, involving different levels of approval.
Registration of purchase orders in the system	Acquisition of goods that do not stem from genuine needs for benefits unrelated to the organization.	LOW	LOW	VERY REDUCED	- Implementation and compliance with the purchasing policy - Existence of a workflow in the system, involving different levels of approval.
	Splitting of purchases or expenses in order to avoid exceeding the defined purchase approval limits and/or delegated approval authority.	LOW	LOW	VERY REDUCED	- Existence of a workflow in the system, involving different levels of approval (regardless of the value of the services to be contracted).

ACTIVITIES	POTENCIAL RISKS	PROB. OCCURRENCE	IMPACT	RISK LEVEL	PREVENTIVE MEASURES
ACCOUNTING AND TREASURY					
Classification, entry, and registration of invoices and other documents from suppliers and customers	Misappropriation of funds due to the registration of invoices (i) without contractual framework, (ii) without supporting documentation, (iii) without evidence of delivery/provision of goods/services, (iv) without approval and/or (v) inconsistent with contracts and/or purchase orders without apparent justification.	LOW	LOW	VERY REDUCED	- Automatic control in the system, preventing payment for goods/services exceeding the contracted/requested amount - Existence of an invoice approval workflow, prior to the corresponding payment - Exceptions are approved by employees independent of the transaction.
	Issuance of credit notes and processing of unsubstantiated refunds or write-offs for the purpose of obtaining benefits unrelated to the organization.	LOW	LOW	VERY REDUCED	- Existence of a workflow for the approval of credit notes and write-offs.
	Improper submission of invoices from suppliers or subcontractors for payment, for the purpose of obtaining benefits unrelated to the organization.	LOW	LOW	VERY REDUCED	- Automatic control in the system, preventing payment for goods/services exceeding the contracted/requested amount - Existence of an invoice approval workflow, prior to the corresponding payment.
	Use of generic or ambiguous accounting entries to record costs not related to the company's activity.	LOW	MEDIUM	REDUCED	- Periodic monitoring and analysis of accounting entries with higher propensity for manipulation and recording of improper costs - Existence of an invoice approval workflow, prior to the corresponding payment.
Preparation of financial reports and financial statements	Manipulation of financial statements for the purpose of obtaining benefits unrelated to the organization.	LOW	MEDIUM	REDUCED	- Monthly analytical review of accounting entries, with comparisons against the budget, previous periods, and comparable periods - Periodic monitoring and analysis of accounting entries with higher propensity for manipulation and recording of improper costs.
Banck Reconciliations	Manipulation of bank reconciliations for the purpose of obtaining benefits unrelated to the organization, in order to conceal/modify transactions in bank accounts that are suspicious and/or not related to the company's activities.	LOW	LOW	VERY REDUCED	- Review and approval of bank reconciliations by different employees.
Registration of third parties in the master database	Creation of fictitious or duplicate third-party entities.	LOW	LOW	VERY REDUCED	- Automation of alerts in the system to block/flag invalid and/or duplicate NIFs, names, addresses, and/or IBANs - Validation of new customer and supplier information by an independent team.
	Use, disclosure, and/or manipulation of information from third-party entities registered in the system.	LOW	LOW	VERY REDUCED	- Control through rules and access profiles in the system based on the roles performed - Existence of an approval workflow for the registration and modification of master data of third-party entities, involving various areas of the organization.
Validation and reimbursement of expenses submitted by employees	Approval of expenses incurred by employees and management members that are undocumented, not related to the activity of Primus Ceramics, S.A., and/or whose amount is not appropriate considering the nature of the expense.	LOW	LOW	VERY REDUCED	- Compliance with the policy for submission, approval, and reimbursement of employee expenses - Existence of an approval workflow for expense approval, involving various areas of the organization.

ACTIVITIES	POTENCIAL RISKS	PROB. OCCURRENCE	IMPACT	RISK LEVEL	PREVENTIVE MEASURES
ACCOUNTING AND TREASURY					
Opening and closing of bank accounts	Misappropriation of funds by employees with authority to manage bank accounts.	LOW	LOW	VERY REDUCED	- Requirement of at least two signatures for the opening of bank accounts and making payments - Conducting annual confirmation procedures with banks - Formalization and management of bank account opening and closing procedures - Periodic reconciliation between the Bank of Portugal's Database of Accounts and the bank accounts recorded in the accounting system.
Management of payments and receipts	Misappropriation of funds as a means of obtaining / granting illegal advantage.	MEDIUM	MEDIUM	MODERATE	- Existence of control in the system that prevents the sending of invoices for payment without verifying compliance with the invoice approval workflow and the confirmation of goods and/or services receipt - Existence of controls over duplicate payments - Formalization of procedures for cash receipts and payments - Restricted access to bank account credentials - Periodic bank reconciliations - Annual confirmation with banks - Cash functioning under a fixed fund system - Control of cash movements through cash sheets - Prior approval for assigning access profiles to systems based on roles performed and periodic review of these profiles - Regular confirmations with third parties, with a focus on those of higher risk - Periodic monitoring of supplier and customer current accounts for balance regularization and analysis of discrepancies.
IT					
Management and assignment of access to information systems	Incorrect configuration of employee access based on the roles performed.	MEDIUM	MEDIUM	MODERATE	- Compliance with information security policy - Application of audit mechanisms to periodically review system access.

ACTIVITIES	POTENCIAL RISKS	PROB. OCCURRENCE	IMPACT	RISK LEVEL	PREVENTIVE MEASURES
HUMAN RESOURCES					
Recruitment and selection	Employees' accumulation of public/private roles and/or other situations that could lead to conflicts of interest, potentially affecting the performance of their duties.	MEDIUM	MEDIUM	MODERATE	- Adherence to the employee recruitment policy, respecting the various stages of the recruitment process - Compliance with the personal relationships policy - When applicable, submission of a request for the accumulation of roles, following a specific approval workflow
	Undue favoritism or discrimination of candidates within the recruitment and selection process.	MEDIUM	LOW	REDUCED	- Mandatory involvement of human resources or an independent party in the recruitment process - A restriction preventing an employee who refers a candidate from being part of the analysis and decision-making process regarding their hiring - Compliance with the employee recruitment policy, respecting the various stages of the recruitment process.
	Existence of ties with employees without formal contractual arrangements and/or where contractual clauses are manipulated, ambiguous, or detrimental to Primus Ceramics, S.A.	LOW	LOW	VERY REDUCED	- Mandatory use of contract templates with pre-approved mandatory clauses, and, in case of modifications, obtaining necessary approvals.
Payroll Processing	Manipulation of information related to employee payroll processing, resulting in potential undue payments.	MEDIUM	LOW	REDUCED	- Segregation of duties between the employee responsible for registering employee data and salaries in the database and the employee performing payroll processing - Prior approval before assigning system access profiles based on the roles performed and periodic review of such profiles - Restriction of access to view and edit payroll files - Reconciliation of payroll processing - Random verification of pay slips and comparison with actual payments.
MARKETING AND COMMUNICATION					
Granting of donations / Sponsorships	Granting of donations and/or sponsorships with the purpose of exerting undue influence over the beneficiary entity and/or granting/obtaining an undue advantage.	LOW	LOW	VERY REDUCED	- Implementation of procedures for the granting, monitoring, and approval of donations and/or sponsorships, including the identification of beneficiary third parties and the prior assessment of their risk profile - Prohibition of granting donations and/or sponsorships to political parties and electoral campaigns - Establishment of an annual budget for donations and sponsorships and analysis of deviations from it - Contractual formalization of sponsorships.
	Lack of independence and impartiality in the granting of donations and/or sponsorships due to the existence of conflicts of interest (family, political, commercial, or personal) with third-party entities (public and/or private).	MEDIUM	MEDIUM	MODERATE	- Application and compliance with a conflict of interest management policy - Mandatory completion of a questionnaire certifying the independence relationship between potential beneficiaries of donations/sponsorships and members of the teams involved in the approval process of the donation/sponsorship - Implementation of procedures for the granting, monitoring, and approval of donations and/or sponsorships, including the identification of beneficiary third parties and the prior assessment of their risk profile.

ACTIVITIES	POTENCIAL RISKS	PROB. OCCURRENCE	IMPACT	RISK LEVEL	PREVENTIVE MEASURES
CROSS-FUNCTIONAL ACROSS ALL DEPARTMENTS					
Assignment, receipt of gifts, and offerings to/from third parties	Offering or receiving gifts or similar benefits, gratuities, remunerations, commissions, travel, accommodations, favours, privileges, or any other type of financial or non-financial incentive or advantage, that may influence the impartiality of the duties performed, be perceived as bribery or illegitimate influence, and/or as a way to grant/obtain undue advantage.	LOW	MEDIUM	REDUCED	- Implementation of procedures for offering and/or receiving gifts and hospitality, including, among others, (i) determination of the nature and value of permitted gifts, (ii) identification of third-party beneficiaries and prior risk profile assessment, and (iii) the requirement for formal requests and prior approvals before granting/accepting gifts and hospitality - Implementation of enhanced control/monitoring measures on transactions with public entities/public agents - Monitoring of gifts and hospitality offered and received.
Management and Handling of Reports	Lack of independence in receiving, analysing, and handling reports received through the established channels for this purpose.	MEDIUM	MEDIUM	MODERATE	- Existence of a person responsible for managing the whistleblowing channel - Documentation of procedures related to the whistleblowing channel, indicating the responsible parties and their duties at each stage of the process - Existence of a whistleblowing reporting policy - Existence of robust mechanisms for reporting irregularities that promote the independent handling of reports, with multiple stakeholders able to receive and investigate the reports received.
Monitoring of audits conducted by external entities	Granting of undue advantages to third parties, including public officials, judicial authorities, regulators, or external auditors, to obtain favouritism in the conduct of processes and/or to influence decisions of public agents.	LOW	HIGH	MODERATE	- Reporting, formalisation, and filing of meetings and/or interactions with public entities, public officials, and other regulatory or supervisory bodies - Implementation of enhanced control/monitoring measures on transactions with public entities/public agents - Monitoring of gifts and hospitality offered and received.

RISK IDENTIFICATION AND ASSESSMENT METHODOLOGY

The International Organization for Standardization (ISO) defines risk as the effect of uncertainty on specific objectives, often expressed as the combination of the probability of an event and its consequences and impacts (including changes in circumstances).

The methodology adopted in the preparation of the PPR, namely in the identification, classification, and assessment of corruption and related offences risks, involves a structured process of identifying, evaluating, recommending, and implementing corrective measures, as well as monitoring and reporting.

In this context, the first phase of the process (risk identification) results from an exhaustive and detailed analysis of the various areas and activities of Primus Ceramics, S.A. and its context, with the objective of identifying, in each area, the competences or responsibilities that may give rise to situations constituting risks of corruption and related offences.

The assessment and classification of risks are based on the combination of the probability of occurrence of risk situations with the severity of their anticipated impact. This process results in a risk level, assigned according to a five-tier scale (very low, low, medium, high, and very high), based on which different response strategies will be defined.

The probability and impact scale is illustrated according to the following risk matrix:

RISK LEVEL		PROBABILITY OF OCCURRENCE		
		HIGH	MEDIUM	LOW
EXPECTED IMPACT	HIGH	Very High	High	Moderate
	MEDIUM	High	Moderate	Low
	LOW	Moderate	Low	Very Low

The IMPACT can be understood as the expected consequence of the occurrence of an event that affects the strategic objectives of Primus Ceramics, S.A., and is classified as follows:

- HIGH: when there is a very significant loss to the reputation of Primus Ceramics, S.A., a violation of the Code of Ethics and Conduct, or another consequence involving significant costs, affecting the company's mission, values, objectives, business opportunities, and operational activities.
- MEDIUM: when the impact on the company's reputation, operational activities, or strategic objectives is considerable but remains within manageable limits, or when the consequence entails manageable costs.
- LOW: when there is no significant potential to affect the reputation of Primus Ceramics, S.A., the performance of its operational activities, or its objectives, and the associated costs are minor and not material.

The PROBABILITY OF OCCURRENCE refers to the likelihood of an event happening or not within a given period. The three probability criteria are defined as follows:

- HIGH: when the event has a high probability of occurring regularly and/or with limited possibility of prevention or remediation, even if additional control actions are implemented.
- MEDIUM: when the event may occur sporadically and/or can be prevented or remediated, even with the implementation of additional control actions.
- LOW: when the event has a low probability of occurring or occurs only under exceptional circumstances, and can be prevented or remediated with the existing control measures.

After the risk assessment, appropriate responses are defined to ensure that Primus Ceramics, S.A. is not exposed to residual risks above the previously established levels.

These responses may be based on three alternative strategies, namely:

(i) Risk treatment (elimination, transfer, or control)

(ii) Risk acceptance

(iii) Defining contingency plans to mitigate the identified risks.

IDENTIFICATION AND CLASSIFICATION OF CORRUPTION AND RELATED OFFENSE RISKS

Various factors can influence the risk associated with an activity, with the following being the most relevant:

a) The integrity of managers and decision-makers
b) The legitimacy and legality of actions and deeds
c) The motivation of employees
d) The quality of the internal control system and its effectiveness.

In the context of the activities of Primus Ceramics, S.A., the situations and areas of activity that may enhance the risks of corruption and related offenses are identified. These situations are addressed in an abstract manner, and their classification is carried out based on the criteria described in the previous section, along with the indication of appropriate preventive and corrective measures.

EXECUTION OF THE PLAN SUBJECT TO CONTROL

The control of the plan's execution will be carried out as follows:

a) Preparation, in the month of October, of an interim evaluation report, focusing on situations identified with high or maximum risk.
b) Preparation, in the month of April of the following year, of an annual evaluation report, which will include the quantification of the degree of implementation of the identified preventive and corrective measures, as well as the forecast for their future implementation.

The corruption risk prevention plan (PPR) will be reviewed every three years or whenever there are changes in the attributions, organizational structure, or corporate structure.

USEFUL CONTACTS:

For more information, contact:

- HR Department
- Responsible: Sara Páscoa
- Email: geral@primusceramics.com
- Tel: +351 234 400 500
- Headquarters: Rua João Gonçalves Neto, 66 Aradas – Aveiro | Portugal

PLAN FOR THE PREVENTION OF CORRUPTION
RISKS AND RELATED OFFENSES

PRIMVS
CERAMICS

Rua João Gonçalves Neto, nº 66 Aradas | 3810-386 Aveiro , Portugal
TEL: +351 234 400 500

www.primusceramics.com
geral@primusceramics.com