

Modern Slavery Statement

Financial Year 2022

— Introduction

This Modern Slavery Statement has been published in accordance with the UK Modern Slavery Act 2015 (MSA) as in the previous years. This statement explains the steps that Efacec has taken to prevent modern slavery in its business and supply chains during the financial year 2022. Efacec is committed to building a more sustainable future and has a zero-tolerance approach to all forms of Human Rights abuse.

— Our Business

Efacec continues to deliver a comprehensive portfolio for the Energy, Mobility and Environment sectors with a global presence in 13 countries and around 2,000 employees in 2022.

The year 2022 represented another big challenge, but that did not prevent the consolidation of the value of Efacec. It was the third consecutive year of a period of multiple crises, both internal and external, which did not prevent the organisation from continuing to innovate and evolve. We moved towards models that enhance more collaborative relationships, empowering our people in their role, we presented new products, developed new projects and were recognised for it.

Efacec is committed to building a more sustainable future through responsible business conduct, portfolio innovation and the development of green products and solutions in order to address current and future global challenges. Efacec will continue to focus on its purpose of creating a smarter future for a better life with its values always present: Sustainability, Reliability, Competence, Audacity and Humanism.

— Our Policies

A set of corporate statements define the ethical rules and best practices that Efacec uses in all its businesses. The Board of Directors promotes a compliance culture and ensures that the management bodies, functional structures, workers and other employees who act on behalf of the Group, in all countries, comply with the legislation, rules of conduct and ethical principles and values that guide Efacec's activity.

In 2022 Efacec continued its journey in implementing these principles into organizational processes. The Procurement and Purchasing area implemented a new Qualification and Evaluation Process that reinforces ethical, environmental, and social aspects in the supply chain process. Sustainability requirements were also introduced in the transfer of data between commercial and project management, ensuring that a response is given both to client requirements and Efacec's commitments.

— Risk Assessment

Efacec's operations continue to develop mainly in Portugal, a country belonging to the European Union that has a very strong legal framework of Human Rights and also requires all Member States to fully comply with the recommendations of the International Labour Organization (ILO).

Efacec's commitment to Human Rights and Labour Relations has been reinforced since 2021, when the company joined the United Nations Global Compact and integrated its 10 Principles into its business strategy.

The recruitment process in all companies of Efacec group is governed by strict criteria that guarantee full compliance with all Human Rights and ILO recommendations. International subsidiaries are supported in this process by accredited local entities and by the Human Resources Department in Portugal.

Regarding the supply chain, Efacec's sustainable procurement program imposes requirements in the three pillars of sustainability (ESG) to all suppliers. Not only by requiring them to remain in compliance with all applicable laws including Efacec ethical and sustainability policies and applicable local legislation, but also by conducting Qualification and Evaluation processes that promotes the adoption of ESG requirements among the supply chain. Efacec has just developed its Supplier Code of Conduct which will reinforce the prevention of ESG risks, in particular those related to Modern Slavery, and plans to put it into force in the short term (by the end of 2023).

All Efacec operations are thus carried out in an environment that promotes Human Rights and healthy Labour Relations, minimizing the risks of Modern Slavery throughout the value chain.

Efacec is also developing a new risk management process, covering a wider scope, that involves different stakeholders who assume responsibility for the risk, from the Executive Committee to the individual employee, with each risk owner being responsible for knowing the risks in their area of expertise and managing them in accordance with their roles and skills in line with the company's management. Efacec is determined to integrate Human Rights into this new risk management frameworks and ensure that the risk of Modern Slavery is fully addressed in its value chain.

During 2022 there were no risks of Modern Slavery identified.

— Due Diligence Measures in Place

Efacec has in place a wide range of measures aimed at preventing Modern Slavery in its business, namely:

- The most important social requirements are integrated in the existent ethical declarations such as the Sustainability Policy and the Corporate Code of Conduct. These declarations are used in formal and mandatory training courses and are applicable to all Efacec employees.
- Our recruitment processes are designed to prohibit the occurrence of Modern Slavery.
- Labour legislation is a required commitment from all Efacec suppliers.
- The new Supplier Code of Conduct (into force in the short term)
- The new Risk Management framework.

— Performance Indicators

Efacec continues to monitor Human Rights through specific indicators covering issues such as discrimination, child labour, forced labour, freedom of association, safety, and diversity. These indicators are reported in the Annual Report appendix related to Social Indicators.

— Training

Efacec seeks to offer valuable content regarding Human Rights and training on Efacec's Code of Conduct and sustainability principles for all employees.

During 2022, Efacec consolidated its commitment to training, having promoted training actions in sustainability ESG pillars for all its employees worldwide. More specific training content on Human Rights was also made available to everyone with management responsibilities.

Seeking to raise awareness and promote a corporate culture that is increasingly focused on sustainability, Efacec launched the "Sustainability Week" which had the sponsorship and participation of the Executive Committee. During an entire week, among various activities and presentations, emphasis was given to

the prevention of Modern Slavery or other Human Rights violations through an adequate ESG Risk Management Framework.

Significant improvements were also introduced in the onboarding program for new employees, which now includes training and workshops to discuss and clarify principles of ESG management at Efacec

— Plans

For 2023 Efacec plans to:

- Put into force the new Code of Conduct for suppliers
- Implement the new Risk Management framework and policy namely in what regards to Human Rights and the mitigation measures to address the risk of modern slavery, among other ESG indicators.
- Improve reporting and disclosure regarding non-financial management, including Environmental, Social and Governance indicators (in alignment with the upcoming EU CSRD regulation)
- Offer more training programs regarding Human Rights to all employees
- Continue to improve its internal processes and/or macro processes with the aim of implementing sustainability criteria in them
- Maintain its due diligence procedures to prevent Modern Slavery.



Ângelo Ramalho
Chairman of the Board of Directors
and CEO, Efacec Power Solutions
26 June 2023



Fernando Vaz
Chief Operations Officer
26 June 2023