

RESPONSIBLE PROCUREMENT

SUPPLIER SUSTAINABILITY MANUAL

Revision 01 | 18.09.2026

RECORD OF REVISIONS

Revision Number	Summary description of the revision	Date
01	General document review	18.09.2026

The standards set forth in this document are not considered fully comprehensive nor do they dispense with the reading/application of other applicable requirements.
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INTRODUCTION

dstelecom builds and operates ultra-modern fiber optic networks in areas of lower population density in an open and multi-operator network model, with the aim of enabling neutral access to all its clients (telecommunications operators or others). dstelecom does not manage concessions. dstelecom has a Wholesale Only Business Model.

Our mission is to develop open communications networks, freeing people from geographical barriers. In the pursuit of this mission, we develop our activity with the aim of establishing a balance between the attainment of business objectives and our ambition for responsible citizenship.

To achieve this balance, dstelecom believes that the relationship with suppliers plays a fundamental role, which is why the procurement process is based on the Policy of Responsible Procurement. This policy defines precise guidelines for the promotion of environmental and economic sustainability, business ethics, respect for human rights, quality and safety and communities in all operations and activities related to the acquisition of goods and services.

This Manual describes the minimum sustainability requirements and commitments that dstelecom suppliers must comply with at all times during their business relations, with a view to the sustainable development of all. Because ONLY TOGETHER WILL WE SUCCEED.



GOALS

The main objective of this manual is to clearly inform about the fundamental sustainability requirements demanded of dstelecom suppliers, as well as the expectations regarding their performance in those requirements.

This document also defines the mechanisms of control that will allow dstelecom to monitor compliance with requirements, the improvement processes and the implementation of corrective measures, as well as the methodology for dealing with identified infringements.

SCOPE OF APPLICATION

This manual is applicable to all dstelecom suppliers, whether they are material suppliers, service providers or subcontractors, with or without a contractual business relationship.

Compliance with the requirements defined in this manual is mandatory and considered an integral part of any business agreement or contract established between dstelecom and the supplier. It is therefore the supplier's responsibility to ensure that its employees and subcontractors working for dstelecom are aware of the rules defined herein, requiring compliance at all times.



COMPLIANCE

The supplier must scrupulously comply with all local, municipal, national and community laws and regulations, as well as obtain the necessary permits, authorizations or permissions applicable to the supply of goods or provision of services within the scope of its business relationship with dstelecom.

Likewise, the supplier is also obliged to comply with the rules and provisions set forth in the regulations in force, that may be applicable depending on the nature of its relationship with dstelecom.

Document	Application
Supplier Sustainability Manual	All suppliers
Suppliers Code of Conduct	All suppliers
Regulation/requirements for suppliers	Subcontractors and service providers
Goods Receipt Rules	Materials Suppliers

The supplier undertakes to adopt all necessary measures to comply with these regulations, namely, the implementation of corrective actions and preventive actions, to provide information and training to its workers and follow dstelecom's standards, codes and policies.

dstelecom reserves the right to supervise compliance with the rules, without prejudice to the responsibilities assumed by the supplier. If any breach is observed, dstelecom will notify the supplier of this fact, and the measures and implementation deadlines necessary to resolve the identified infringements will be jointly agreed upon.

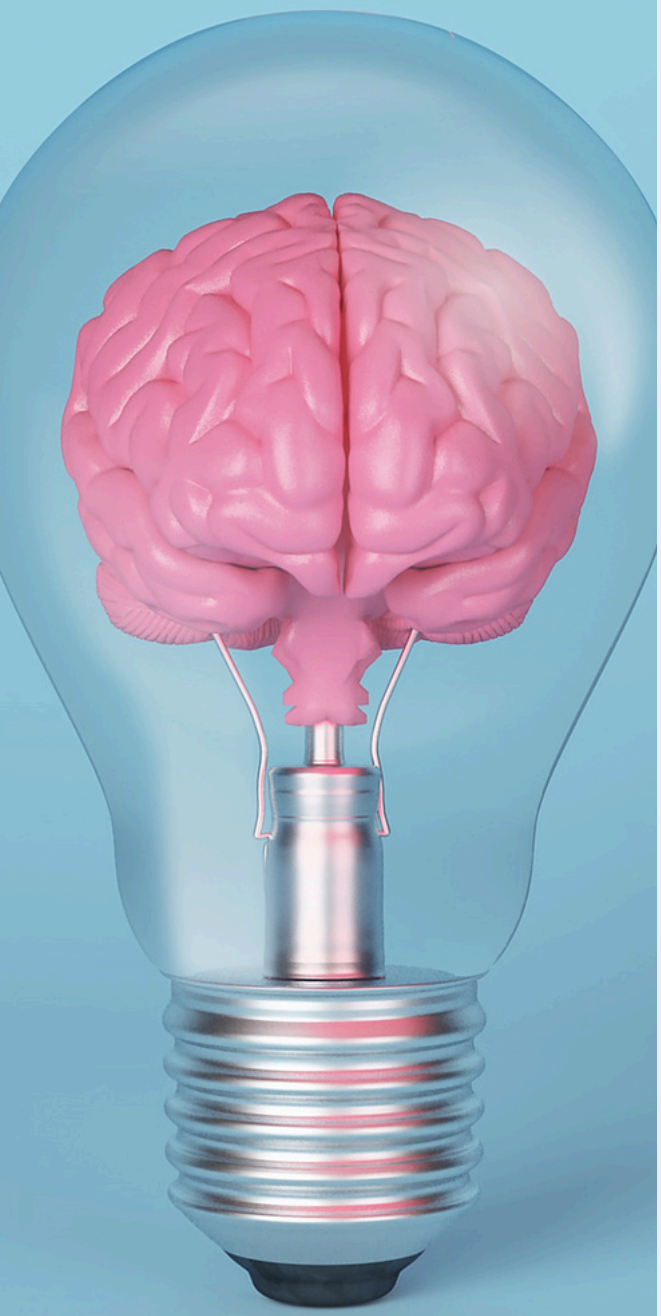
INNOVATION AND CONTINUOUS IMPROVEMENT

dstelecom will periodically evaluate its policies, regulations and procedures in order to ensure compliance and effectiveness of the established guidelines. Constant monitoring is crucial in order to identify opportunities for improvement, promoting the development and implementation of measures that result in better performance for all players in the supply chain.

That is why we also ask our suppliers to actively participate in this process, by sharing information, providing feedback on processes and regulations, participating in the development of innovative solutions and others.

We are also committed to collaborating effectively with all suppliers who have their own continuous improvement process, or who wish to implement it, with a view to mutual development and growth





SUSTAINABILITY REQUIREMENTS

dstelecom maintains a sustainability committee, made up of members from the most strategic areas in environmental, social and governance matters. The committee's functions are:

- Defining sustainability goals and objectives; Defining rules and guidelines associated with the sustainability strategy and respective documents applicable to dstelecom;
- Defining performance measurement procedures and metrics;
- Monitoring the performance of sustainability objectives and respective improvement initiatives;
- Preparing the Sustainability Report.

The requirements described herein represent the Sustainability themes that dstelecom has chosen as fundamental and which are paramount in our concerns.

ENVIRONMENTAL AND CLIMATE CO-RESPONSIBILITY

The protection of the environment and its ecosystems and the fight against climate change are fundamental values in dstelecom's strategy. To minimize the negative effects that our activities may cause, dstelecom has developed and implemented a set of measures in specific areas.



WASTE MANAGEMENT

The supplier is responsible for the separation and proper forwarding to licensed waste operators of all waste generated by its operations, with due notification to APA (Portuguese Environment Agency), in accordance with current legislation.

Subcontractors who carry out work for dstelecom must separate waste, namely fiber optic waste and electrical and electronic equipment, and deliver it to one of dstelecom's collection points.

The supplier must keep a record of its waste management activity and be prepared to provide information and evidence about these activities whenever requested to do so by dstelecom.

Likewise, it is expressly prohibited to abandon or bury waste, burn waste, dump waste into watercourses, mix waste or send waste to entities not licensed for this purpose.

dstelecom undertakes to raise awareness among materials suppliers to the importance of minimizing the production of waste arising from supply, particularly with regard to packaging, and to raise awareness among all suppliers to the importance of waste management.

It is our ambition to reduce the number of packages used, employing reusable packaging whenever possible, made from recycled, biodegradable and/or easily recyclable materials. In short, dstelecom's operation mainly generates the following types of waste:

- Paper and Cardboard (LoW code 20 01 01)
- Plastic (LoW code 20 01 39)
- Glass (LoW code 20 01 02)
- Optical fiber (LoW code 16 02 16)

The supplier’s responsibilities with regard to waste management are detailed in the document “Regulation/Requirements for Suppliers”.



ENVIRONMENTAL PERFORMANCE

dstelecom believes that acting in an environmentally responsible manner is more than a legal obligation; it is a way of adding value to our business and consequently to our partners.

Therefore, we assess our environmental performance by monitoring key indicators, such as waste production and management (both in terms of type and volume), consumption of natural and energy resources and measurement of the carbon footprint of our activity. The results allow us to identify areas where we need to invest and improve, to find alternative solutions and to monitor the effectiveness of the measures implemented over time. Because our activity is carried out in an environment of transparency and trust, we communicate these results annually in the ESG (Environment, Social and Governance) report.

Since 2018, we have implemented and maintained an environmental management system in accordance with the ISO14001:2015 standard, with certification recognized by Bureau Veritas. dstelecom has also developed a set of measures that, when put into practice, will help us achieve the goal of being more environmentally responsible.

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ENVIRONMENTAL PERFORMANCE

Areas of activity	Action Implemented
Energy Consumption	Acquisition of 100% renewable energy. Installation of solar panels in POPs for self-consumption. Replacement of temperature control equipment (air conditioning) in POPs with more efficient equipment. Development of an innovation project in the area of geothermal energy for temperature control of POPs.
Water consumption	Installation of sensors on all taps in the headquarters building.
Emissions	Implementation of a Carsharing platform (sharing journeys). Definition and implementation of a telework policy. Availability of electric vehicles for travel within the campus and charging stations for employees' vehicles.
Packaging	Increased DROP cable footage per spool/box. Reduction in the amount of patchcord plastic packaging. Installation of a water fountain in offices connected to the water supply, replacing bottled water dispensers. Replacing plastic glasses, cups and bottles with reusable utensils.
Network materials	Recovery of passive network elements (joints, handles, ROE...) to be reutilized.
Network infrastructure	Use of existing infrastructure whenever possible.
Waste	Reduction of waste by recovering passive network equipment for reuse. Green dstelecom innovation project, with the aim of creating a product using fiber optic waste.

ENVIRONMENTAL PERFORMANCE

We aim for these measures to serve as a benchmark for our suppliers and that, like us, seek to assess and improve their environmental performance. Suppliers are required to collaborate in the enquiry that dstelecom periodically carries out, with regard to the implementation of measures to control environmental impact and combat climate change, providing evidence whenever requested.

We also value compliance with good environmental management practices by our suppliers, criteria that we have now included in the supplier selection and assessment processes.



EMISSION OF GREENHOUSE GASES (GHGS)

In the 2015 Paris Agreement, governments around the world, including Portugal, committed to reducing the rise in global temperature and to continue efforts to limit warming to 1.5ºC.

The emission of greenhouse gases (GHGs) is the main cause of accelerated global warming, with carbon dioxide being the most emitted GHG. Carbon dioxide is generally released by human activity such as energy production, industrial activity, agricultural activity and waste management.

According to the Science Based Targets Initiative (SBTi), in order to achieve the commitments made in the Paris Agreement, GHG emissions must be reduced by 50% by 2030, so the contribution of the private and business sector is essential to achieve this.

This movement classifies emissions generated by the private sector into three categories:
Scope 1 emissions: direct emissions resulting from the company's activities (operational processes, own fleet, facilities/buildings).
Scope 2 emissions: indirect emissions, resulting from the purchase of electricity consumed by the company.
Scope 3 emissions: indirect emissions, generated throughout the supply chain, not included in the previous category (purchase and transportation of materials or raw materials, generation and management of waste, transportation and distribution of goods produced by the company to clients and partners, business trips, employee travel.

dstelecom has made a commitment to the Science Based Targets, committing to reduce scope 1 and 2 emissions by 46% by 2030, and to reduce scope 1, 2 and 3 emissions by 90% by 2050.

The nature of our business model requires that the vast majority of our activities be carried out in the field. People and goods are transported in commercial vehicles with combustion engines (scope 1 and 2 emissions). Because we are aware of our limitations at this level, dstelecom has established a set of guidelines and rules aimed at reducing pollutant emissions.

VEHICLE AND MACHINE FLEET MANAGEMENT

Efficient management of a vehicle fleet starts with investment decisions. The acquisition of vehicles must take into account not only the operational cost-benefit ratio, but also the environmental performance of the vehicle. The suitability of the vehicle for the tasks to be performed is equally important; large vehicles consume more fuel and therefore also have higher emissions.

We urge our suppliers to size their fleets according to their needs, and no more than that, and, whenever technically and financially viable, to opt for solutions that pollute less.

Vehicle maintenance is another important factor. A vehicle with up-to-date maintenance is more reliable, safer and more likely to perform as expected, both operationally and environmentally. The supplier must therefore keep its fleet in full working order, respecting the manufacturer's original settings.

With regard to the use of other motorized equipment, such as backhoes, trenchers or lifting equipment, the same principles apply:

- Adequate sizing of the equipment to be used;
- Maintaining of equipment in full working condition;
- Compliance with the rules set out in the document “Regulations/Requirements for Suppliers” regarding reporting and action in the event of an environmental accident (such as spills).



RESPONSIBLE DRIVING

The way we operate vehicles is another factor that influences the emission of pollutant gases. More defensive driving (less acceleration and less sudden braking), while complying with speed limits, is proven to be related to lower fuel consumption, lower emissions of pollutant gases and particles and fewer accidents.

Therefore, the supplier must raise awareness among its team about more responsible use of vehicles and more environmentally friendly driving.

WORK MANAGEMENT IN THE FIELD

dstelecom establishes partnerships preferably with local suppliers, allowing operational management to be more streamlined and efficient. Therefore, we generally allocate subcontracted teams to specific areas, as close as possible to their place of residence, with a view to reducing travel. Furthermore, the operational management team assigns work to subcontracted teams taking into account the optimization of the times for each task and the necessary travel.

The supplier is therefore obliged to follow the guidelines of the dstelecom operational management team, as well as inform about any changes regarding the area of residence of its teams, in order to assess the need for reallocation.





RESOURCE UTILIZATION

The responsible use of the different resources at our disposal is a crucial factor in achieving the sustainability objectives and goals we set for ourselves. In this section of the Manual, we focus on energy consumption and water use.

ENERGY

The pursuit of energy efficiency promotes the preservation of essential natural resources and the reduction of GHG emissions resulting from economic activity, in addition to generating important financial benefits (savings) for companies, making them more competitive and sustainable over time.

Being efficient means using less energy to carry out the same activity, which can be achieved by implementing measures aimed at rationalizing consumption and by changing behavior.

- Optimize lighting systems in buildings, prioritizing solutions that favor lower consumption, such as the use of LED lamps, the installation of motion sensors and/or timer switches.



ENERGY

- When making decisions about purchasing new electrical and electronic equipment, such as printers, computers or air conditioning, give priority to more efficient equipment.

- Improve the energy efficiency of buildings, by installing efficient windows and doors, thus reducing consumption of temperature control equipment (air conditioning).

- Ensure that air conditioning equipment is cleaned and adequately maintained, as well as regularly check that electrical installations and equipment is functioning properly.

- Invest in renewable energy sources, whether through autonomous production with the installation of solar panels or through contracting the supply of green energy.

- Raise awareness among workers and partners to adopt more responsible behavior when using workspaces and equipment.

- Implementation of an energy management system.

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WATER

The worsening of global warming and the intensification of extreme weather events (floods and droughts) observed in recent decades have serious long-term effects on water availability and quality, posing new challenges to the management of water resources.

It is therefore everyone's responsibility (public and private entities, individuals) to promote a more conscious and responsible use of this valuable resource. Below are examples of best practices that can be adopted for more efficient use of water.

- Monitor consumption to identify any losses/leaks in the supply system.
- Install timers, sensors and/or flow reducers on taps and sanitary facilities.
- Water green spaces early in the morning or at the end of the day, when there is less evaporation.
- In watering systems, install humidity sensors so that water consumption only occurs when necessary and adjust the sprinklers (pedestrian paths, traffic lanes and parking spaces do not need to be watered).
- Install a rainwater collection system; rainwater can be used for watering systems and sanitary installations.



WATER

- Maintain infrastructure (pipes, collectors, pumping equipment, and others) in good working order.
- Raise awareness among workers and partners about more responsible use of water.

The examples of best practices provided are guidelines that dstelecom provides to all its suppliers with the aim of promoting improvements among its partners regarding the responsible use of resources. The supplier is obliged to collaborate with dstelecom in assessing the existence of these or other measures and to provide proof whenever requested.

HUMAN RIGHTS AND DIGNIFIED WORK

On June 16, 2011, the United Nations Human Rights Council unanimously approved the Guiding Principles on Business and Human Rights, which have since changed the relationship between corporations and Human Rights.

It is therefore the duty of corporations, regardless of their size, organizational structure and shareholders or the sector of activity in which they operate, to respect and protect the Fundamental Rights of people, promoting a continuous and dynamic process of diligence with a view to identifying, preventing, mitigating and eventually repairing any violations of Human Rights, directly or indirectly, related to business conduct, whether in the company's operations or throughout its value chain.

Likewise, it is the responsibility of corporations to promote a dignified working environment, in which all workers, regardless of gender, age, race or ethnicity, nationality, religion or social status, can:

- Carry out productive work with fair pay;
- Carry out work in safe and healthy conditions;
- Fulfill aspirations of professional development and social integration;
- Freely express their concerns and participate in decisions that directly affect them;
- Realize the right to freedom of association and the right to collective bargaining.

In short, the promotion of dignified work consists of promoting opportunities where all workers can have access to work in conditions of freedom, equity and dignity.

dstelecom's commitment to respecting Human Rights and promoting dignified work also extends to its relationship with its suppliers. In addition to complying with the guidelines contained in the “Suppliers Code of Conduct”, we have included in this Manual other guidelines and best practices that we consider important.

DISCRIMINATION

Discrimination at work is a phenomenon already provided for in Portuguese legislation. In accordance with Articles 24 and 25 of the Labor Code, “the worker or job applicant has the right to equal opportunity and treatment with regard to access to employment, training and promotion or career and working conditions, and may not be privileged, benefited, harmed, deprived of any right or exempted from any duty on the grounds of, in particular, descent, age, sex, sexual orientation, gender identity, marital status, family situation, economic situation, education, origin or social condition, genetic heritage, reduced work capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological beliefs and trade union membership” (...).

Likewise, “the employer may not practice any discrimination, directly or indirectly, on the grounds of the factors referred to in the previous article” (...). Failure to comply with the provisions of the law may result in significant financial penalties for corporations and even a loss of competitiveness. Discriminatory practices generate discomfort and dissatisfaction among workers, harming their professional performance, and reducing the company's ability to retain talent.



DISCRIMINATION

How to prevent discrimination in the workplace? There is no one-size-fits-all approach, so it is important to first learn about and understand with your current employees any discrimination they may experience. Then, adopt a set of best practices with a view to preventing discrimination at work:

- Promote a culture of inclusion and acceptance, where people feel comfortable and confident to be themselves;
- Clearly communicate to each new hire what is expected of the new worker's behavior in terms of diversity and inclusion;
- Provide ongoing education on workplace discrimination (training, workshops, internal activities and others);
- Review internal policies and procedures to identify any situations of unintentional discrimination that may be occurring;
- Implement inclusive hiring practices, such as blind recruitment, in which the candidate's identifying information is removed from the resume;
- Ensure, at a minimum, that all legal requirements are met;
- Draft and implement a clear written internal policy on discrimination and harassment, shared and easily accessible to all workers;
- Protect your workers' right to privacy.

dstelecom has a diversity and inclusion committee that ensures the definition of procedures, the monitoring and the compliance with the defined diversity, equality and inclusion policy.



HARASSMENT IN THE WORKPLACE

Harassment in the workplace is an act prohibited and sanctioned by the Labor Code (article 29) since 2017, and consists of “unwanted behavior (gesture, word or attitude) practiced with some degree of repetition” and which aims to “affect the dignity of the person or create an intimidating, hostile, degrading, humiliating or destabilizing environment”. It consists of taking advantage of the victim's weakness or fragility or their hierarchically inferior professional position or the precariousness of their employment relationship and the need to maintain this in order to guarantee subsistence, which may lead to a decrease in the victim's capacity to resist.

Not all forms of harassment are the same; the Labor Code distinguishes between two forms of workplace harassment: moral harassment and sexual harassment.

Moral harassment takes the form of verbal attacks of offensive or humiliating content, or more subtle acts, which may include physical and psychological violence, aimed at reducing the victim's selfesteem and even removing them from their job.

Dimension	Behavior/Indicator
Social isolation	Promote lack of contact with colleagues and managers. Systematic non-assignment of effective tasks (productive work). Hiding information necessary to the performance of functions.
Professional persecution	Setting goals or deadlines that are impossible to meet. Systematic devaluation of the work performed. Assignment of inappropriate functions. Giving confusing and imprecise work instructions.
Intimidation	Systematic threats of dismissal. Creating stressful situations with the aim of causing discomfort
Personal humiliation	Mentioning physical, psychological or other characteristics in a derogatory manner. Spreading rumors and/or malicious comments. Systematically asking for criticism in public. Addressing the person in an intimidating manner (e.g., shouting).

HARASSMENT IN THE WORKPLACE

Sexual harassment occurs when unwelcome behavior is of a sexual nature, such as sexual invitations, attempts at embarrassing and inappropriate physical contact, obscene gestures, blackmail to obtain employment or career advancement in exchange for sexual favors.

Dimension	Behavior/Indicator
Sexual innuendo	Offensive jokes or comments about a person's appearance or body. Offensive jokes or comments of a sexual nature.
Unwanted sexual attention	Invitations to unwanted encounters. Explicit and unwelcome proposals of a sexual nature, whether verbal, or via email, SMS, telephone or social networks. Sharing/sending unwanted images of a sexual nature. Intrusive and offensive questions about private life.
Physical contact and sexual assault	Unwanted physical contact (touching, grabbing, groping, feeling, kissing or attempting to kiss). Sexual assault or attempted sexual assault.
Grooming	Asking for sexual favors in exchange for promises of employment, career advancement or improved working conditions.

The work and studies carried out on harassment in the workplace, such as the study carried out by the Commission for Equality in Work and Employment (CITE) in 2016, reveal that harassment in the workplace is a prevalent and worrying reality, and therefore companies, together with public institution and labor market regulators overseen by central government, trade unions and employers' associations, have responsibilities in combating and preventing this phenomenon.

HARASSMENT IN THE WORKPLACE

Knowing the reality of each company and work environment, carrying out a risk assessment, is the first step towards designing and implementing appropriate measures, such as:

- Adopt a robust Code of Conduct that promotes professional and ethical behavior among workers;
- Establish mechanisms that allow complaints to be made and ensure that they are subject to urgent assessment, with a response and information to the victim;
- Ensure the confidentiality of complaints, in accordance with applicable legislation;
- Initiate an investigation and/or disciplinary process whenever situations of harassment are known;
- Carry out training actions on harassment in the workplace, its consequences and sanctions that apply;
- Prohibition in the workplace of any calendars, literature, posters or other materials with sexual content;
- Establishment of rules prohibiting access to pornographic websites or inappropriate use of email to send messages with sexual content.



FORCED LABOR

The International Labor Organization (ILO) defines, in its Convention No. 29, forced labor as “all work or service exacted from any person under the threat of sanction and for which he has not offered himself voluntarily”.

Forced labor therefore refers to situations in which people are coerced into working and/or subjected to illegal extension of working hours, through the use of physical or sexual violence, threats and intimidation, or through more subtle means, such as the retaining of identity documents, threats of reporting to immigration authorities, restrictions on freedom of movement and/or freedom to seek other work, withholding of wages for fraudulent debts that the worker allegedly contracted and is unable to pay.

In 2020, Portugal approved the Protocol to ILO Convention No. 29, which resulted from the International Labor Conference, at its 103rd Session, in Geneva on June 11, 2014, assuming responsibility for the implementation of effective measures that allow the identification, elimination and prevention of any form of forced labor, the punishment of its perpetrators and the due protection and reparation to victims.

In addition to being punishable by law, forced labor constitutes an immoral practice and a serious violation of Human Rights. dstelecom assumes before all its suppliers the clear prohibition of any and all practices that aim to force workers to perform work, whether in the production, distribution and sale/supply of products, or in the provision of services or in subcontracting. dstelecom also proposes to carry out the efforts it deems necessary to verify and monitor any situations that may indicate the occurrence of coercive labor practices.



SOCIAL AND HUMAN RESOURCE POLICIES

Corporate Social Responsibility (CSR) was defined by the Commission of the European Communities in 2001 as "the voluntary integration of social and environmental concerns by companies into their operations and their interactions with other interested parties".

This is a plural definition in the sense that the concerns of companies and their management teams are no longer limited to reporting to shareholders, but to all those who engage with the companies and/or who contribute to them.

Being socially responsible means going beyond complying with legal obligations; it involves voluntary and effective actions, with the aim of promoting a more positive social and environmental impact. CSR is, therefore, a strategic approach, based on ethical principles, which seeks to balance the interests of the interested parties, contributing to the sustainable development of society in general and the business in particular.

CSR must be understood in its internal and external dimensions. If in the external dimension, CSR materializes in relations with local communities, customers and suppliers, shareholders and investors, public entities, central administration and market regulators, the internal dimension of CSR concerns Human Resources (HR) management policies and practices, health and safety at work and change management in an organizational context.

The incorporation of CSR concerns into the planning and implementation of social policies and HR management (internal dimension) brings numerous benefits to companies that ultimately translate into significant competitive gains:

- Improvement of recruitment, management and talent retention policies;
- Improved employee performance, whether through greater satisfaction and motivation for work or through the development of new skills;
- Creation of an environment more conducive to innovation;
- Review of internal processes, with a view to greater operational, financial and environmental efficiency;
- Gains in image and reputation, making the company more attractive to new employees, clients and investors.

WORK CONDITIONS

The International Labor Organization (ILO) stresses that working conditions cover a wide range of topics and issues, from working time (working hours, rest periods and work schedules) to pay, as well as the physical conditions and mental demands of the workplace.

On the other hand, Article 127 of the Labor Code lists the employer's general duties and responsibilities in this matter:

- Respect and treat workers with courtesy and probity;
- Pay remuneration on time, which must be fair and appropriate for the work;
- Provide good working conditions, from a physical and moral point of view;
- Contribute to increasing the productivity and employability of workers, namely by providing them with appropriate vocational training to develop their qualifications;
- Respect the technical autonomy of workers when regulation or professional ethics require the activities they perform to be autonomous;
- Enable the holding of positions in entities representing workers;
- Prevent occupational risks and illnesses, taking into account the protection of worker safety and health, and duly compensate them for losses resulting from work accidents;
- Adopt, with regard to workplace health and safety, the measures provided for by law or by the instruments that regulate collective labor;
- Provide workers with adequate information and training to prevent the risk of accidents or illnesses;
- Keep, in each location, the employee register updated indicating their name, dates of birth and admission, type of contract, category, promotions, salaries, start and end dates of vacations and absences that may imply loss of remuneration or reduction in days of paid leave;
- Display at company premises all information on the legislation relating to parental rights;
- Observe the general principle of adapting work to the person, with a view to alleviating monotonous or rhythmic work depending on the type of activity and health and safety requirements, particularly with regard to breaks during work time;

WORK CONDITIONS

- Provide workers with working conditions that favor the reconciliation of professional activity with family and personal life.

The duties described in the law constitute the minimum obligations applicable to all employers and failure to comply represents a serious administrative infraction, which may result in heavy financial fines and eventually, in criminal proceedings. These are general principles that aim to guarantee minimum conditions of quality and dignity in the exercise of any professional activity.

The fundamental role that work plays in people's lives is undeniable; in addition to providing a means of subsistence, it is also a source of personal and professional fulfillment, contributing to the construction of identity, of social and emotional bonds. For companies, workers are an important part of creating value and, consequently, of the competitiveness and sustainability of the business in the long term.

Given its importance, the need to create working conditions that promote personal and social wellbeing goes beyond the legal obligations, having become central in the definition of labor policies and HR management.

In the following table, we name some examples of best practices adopted by different companies in different sectors of activity, which can constitute benchmarking for the implementation of measures aimed at improving work conditions in companies.



WORK CONDITIONS

Areas of activity	Action
Added Benefits	Health, life insurance or complementary retirement support. Education allowance for workers' children. Canteen with subsidized meals. Protocols with service providers (e.g. gyms, pharmacies, educational institutions...). Financial and legal assistance to workers in need.
Work-life balance	Flexible working hours. Time bank work schedule. Possibility of telework. Set limits for scheduling of meetings. Leave of absence for workers on children's birthdays. Simplification in justifying absences motivated by family assistance. Granting of sabbatical/unpaid leave. Implementation of the NP4552:2022 Work-Life Balance. Management System.
Human Resource Management	Recruitment and promotion policies that guarantee equal opportunities. Additional vacation leave days. Distribution of profits among workers. Drawing up a clear and transparent career plan. Performance/merit-based promotions and bonuses. Support for vocational and academic training in addition to the mandatory training provided by law.

HEALTH AND SAFETY IN THE WORKPLACE

Health and safety are probably the aspects of working conditions with the greatest developments in recent decades, especially with regard to legislative intervention and action.

With the adoption of the 2030 agenda for sustainable development, more specifically the Sustainable Development Goal (SDG) 8, the international community recognizes as fundamental the protection of labor rights and the promotion of safe and healthy working environments for all workers, including migrants.

The importance of this topic is even greater if we take into account the harsh reality of statistics. The International Labor Organization (ILO) estimates that every fifteen seconds a worker dies due to an accident at work or an illness related to their professional activity – that's 2.3 million deaths per year.

In addition to the obvious social cost that unhealthy and unsafe working conditions give rise to, we cannot ignore the resulting economic costs, related to the resources used in the provision of health care (diagnosis, treatment of illnesses, rehabilitation expenses) and to remuneration of workers. For companies in particular, the negative effects are further observed in the disruption of work teams, decreased productivity, production delays and the replacement of sick workers.



HEALTH AND SAFETY IN THE WORKPLACE

It is, therefore, in everyone's interest to work towards preventing risks in the workplace. Compliance with legislation is not enough; it is necessary to create a true Safety Culture that influences the mentality and behavior of everyone within the company (workers, managers and owners).

dstelecom has maintained the implementation and certification of its occupational health and safety management system since 2018, under the ISO45001:2018 standard.

Organizations that implement this standard are able to:

- Increase the safety and health of their workers, subcontractors, third parties / community;
- Increase their company's social credibility;
- Attain financial benefits;
- Develop of a culture of health and safety at the workplace;
- Access great opportunities in the job market.

dstelecom will give privilege to suppliers that implement and certify an occupational health and safety management system, that comply with all current national and European legislation and that make the safety and health of their workers a priority in their organizational strategy.

All dstelecom subcontractors and service providers must comply with at least the "Regulations/Requirements for Suppliers" document.



BUSINESS ETHICS

At dstelecom, business ethics is a core pillar of our culture and strategy. We believe that ethical conduct is essential to building relationships of trust with our customers, workers, suppliers, shareholders and the community in general.

We provide a confidential reporting channel, accessible from our website, so that employees, suppliers or other interested parties can report any unethical conduct. All complaints are investigated rigorously, independently and confidentially, ensuring the protection of the whistleblower.



BUSINESS ETHICS

Transparency

dstelecom is committed to transparency in all its operations. We prepare financial, operational, and sustainability reports and invite different stakeholders to participate in open dialogues about our business and our practices.

In its relationship with suppliers, dstelecom has a transparent and documented purchasing process, which is preceded by the qualification and selection process for suppliers and products.

In the context of continuous improvement, dstelecom annually conducts a supplier evaluation based on supplier performance, as per document IT DCL.03 - Supplier Evaluation.

These processes are communicated to all existing suppliers and/or those interested in establishing a business relationship with dstelecom, ensuring greater transparency in the relationship with suppliers while promoting equal opportunities and the same conditions of participation for all interested parties.

dstelecom assumes its role in the community not only as a mere provider of telecommunications services, but by committing itself as a positive agent of transformation in the communities where it operates and works, promoting social, economic, and cultural development.

We maintain an open and transparent channel of communication with the communities, conducting public consultations to discuss needs and expectations. We support social projects, investing in projects that directly benefit communities and establishing strategic partnerships with Non-Governmental Organizations (NGOs), educational institutions, and the State to maximize the positive impact on communities.

BUSINESS ETHICS

Corruption

In 2022, the Corruption and Transparency barometer in Portugal, carried out by Reputation Circle, published a report on the reality of corruption in Portuguese companies and the consequent impact on companies and the economy, with the participation of 123 national leaders.

According to the document, 46.3% of those interviewed consider that corruption is a common phenomenon in Portuguese companies, essentially in the form of influence peddling and obtaining undue advantage (personal or for the organization).

Despite more than half of the participating companies (56.9%) publicly assuming their commitment to combating corruption and having internal mechanisms to do so, such as the existence of internal Codes of Ethics and Conduct or reporting channels, employees tend to not report fraudulent situations (46.4%), largely due to a feeling of insecurity and the impunity of culprits. Paradoxically, 65% of participants claim to be unaware of specific cases of corruption in their organization, which may indicate ignorance or lack of clarity about what constitutes corrupt practices.



BUSINESS ETHICS

Corruption must be understood as the abuse of entrusted power (or position) to obtain undue benefits or advantages. In an organizational context, the phenomenon of corruption can take on different forms:

Fraud in bidding and contracts: manipulation of bidding processes and contracts to favor certain suppliers or companies over others, in exchange for financial compensation or other favors;
Conflict of interest: favoring oneself, friends, relatives or known companies;
Improper use of company resources: misappropriation of company material or financial resources by employees and/or managers;
Market manipulation: use of privileged and confidential information to trade shares or other financial transactions for one's own benefit;
Bribery: offering or accepting undue payments to obtain commercial advantages, such as contract awards, preferential treatment or licensing;
Influence peddling: giving, promising, obtaining or requesting a pecuniary or non-pecuniary benefit, to abuse the respective influence over any national or foreign public entity.

In addition to being considered crimes in Portuguese and international criminal legislation, carrying out these practices has serious impact on organizations, the economy and society as a whole. The organization Transparency International Portugal points to corruption as the main cause of delayed development and the prevalence of economic and social inequality in Portugal. Currently, it is estimated that corruption equates to 8-10% of the Gross Domestic Product (GDP), approximately 20 billion Euros. This is equivalent to 1.6 times the budget of the Ministry of Health and 13 times the budget of the Ministry of Justice in 2021.

For companies, the impact of corrupt practices is equally significant. In addition to administrative and legal sanctions, the companies involved suffer serious damage to their image and reputation, resulting in greater difficulties in obtaining financing, retaining talent and hiring new workers, and may even lead to the loss of customers (loss of trust).

BUSINESS ETHICS

Combating corruption in an organizational context is an issue that dstelecom takes seriously. In line with the National Strategy to Combat Corruption and in compliance with Decree-Law 109E/2021 which establishes the General Corruption Prevention Regime (RGPC), mandatory for companies with more than 50 workers, dstelecom has defined a code of ethics and conduct for workers and suppliers and implemented robust anti-corruption measures that define the principles that guide our actions in all aspects of the business.

We urge our suppliers and partners to not only comply with applicable legislation, but also to strictly comply with dstelecom's codes of Ethics and Conduct. The identification of behaviors or practices contrary to those established in these documents will be treated as a very serious non-compliance and may lead to the termination of commercial ties with dstelecom.

We are committed to collaborating with all our suppliers to promote greater transparency and ethics in business, which is why we have listed below examples of best practices1 applicable in an organizational context, regardless of the size of the company or the economic sector in which it operates.

1 Based on the document “Inventory of Anti-Corruption Tools” of the United Nations (UN).



BUSINESS ETHICS

Practices	Description
Draw up a Code of Ethics and Conduct	Documents should address corruption as a whole and provide specific examples, so that people can identify common corruption scenarios and know how to act when faced with them. Documents must be disseminated throughout the organization and be easily accessible to all interested parties.
Revise internal procedures	Define clear rules on corruption and related infractions, supervision mechanisms and respective disciplinary sanctions. Define clear and demanding procedures for the purchasing and contracting processes, both in the selection of products and services and in the selection of suppliers.
Worker training	Train workers about corruption in a business environment (identification of unethical practices, how to act and report situations of corruption, what consequences for workers and the company as a result of such practices). Make known and demand compliance with codes of ethics and conduct and other established internal rules. Pay special attention to training of workers involved in purchasing processes.
Recruitment, remuneration and assessment of workers	Recruit and promote workers whose ethical values are aligned with the company's values. Offer competitive remuneration for workers subject to greater risk
Establish a reporting channel	Create open reporting mechanisms and encourage reporting of unethical business practices by employees, suppliers and other stakeholders.
Company environment and culture	Create initiatives that promote ethical culture, responsibility and transparency. Promote an environment where workers feel free to express themselves without fear of retaliation.

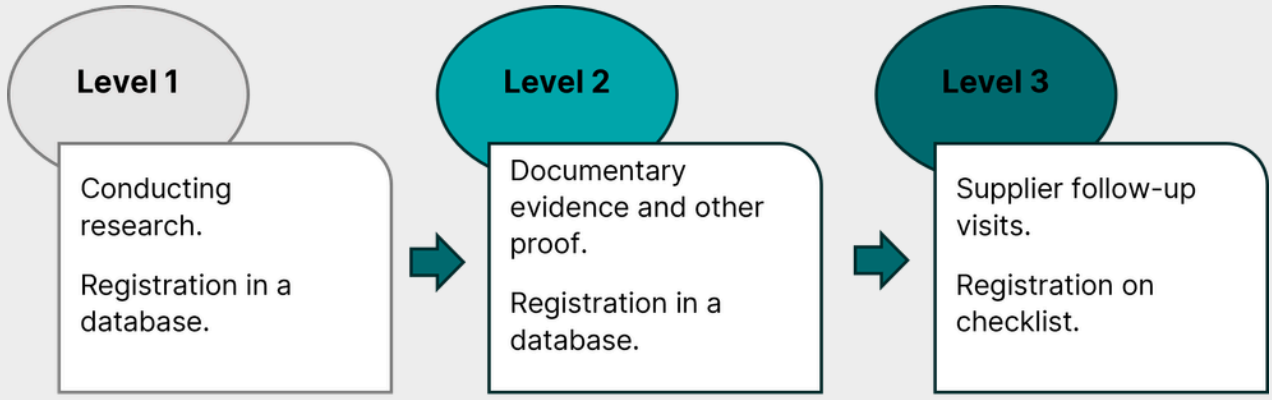
MONITORING AND PROCESSING OF INFRINGEMENTS

In this manual, we identify and describe, for each of the sustainability areas designated as fundamental to dstelecom, a set of best practices and mandatory requirements for suppliers and partners.

The identified best practices and others that our suppliers have implemented will be taken into account in the annual supplier evaluation. Similarly, the existence of best practices will be included in the approval processes for new products, services, and suppliers, thus incorporating sustainability as one of the determining factors in the selection and maintenance of products, services, and suppliers.

The mandatory requirements are essential in the relationship with dstelecom, and failure to comply with any of them will result in the registration of non-compliance for the supplier or service provider.

Compliance monitoring actions with this manual and other documents will be based on conducting surveys (level 1), analyzing documents and other evidence (level 2), and conducting follow-up visits to the supplier and/or service provider (level 3).



Scoring of elements found and inclusion of results in supplier selection and assessment processes.



RESPONSIBLE PROCUREMENT

SUPPLIER SUSTAINABILITY MANUAL

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