



**RISK PREVENTION PLAN FOR CORRUPTION AND RELATED  
INFRACTIONS ("RPP")**

**THE NAVIGATOR COMPANY, S.A.**



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## **I. FRAMEWORK AND OBJECTIVES**

Following the approval by the Council of Ministers of the National Anti-Corruption Strategy 2020-2024 ("ENAC"), Decree-Law no. 109-E/2021, of December 9, was published, creating the National Anti-Corruption Mechanism ("MENAC") and establishing the General Regime for the Prevention of Corruption ("RGPC").

Under the terms of the RGPC, The Navigator Company is obliged to adopt a regulatory compliance program aimed at preventing corruption and related infractions. In addition to the Code of Ethics and Conduct and the Policy for the Prevention of Corruption and Related Infringements, to comply with the GCPR, namely the obligation to adopt a compliance program (see article 5 of the GCPR), The Navigator Company implements this Plan for the Prevention of Risks of Corruption and Related Infringements ("PPR" or "Plan").

This PPR should be read in conjunction with the other Compliance Policies of The Navigator Company, namely the Policy for Verification of the Integrity of Third Parties, which defines the general principles and rules for identifying and verifying the counterparties with which Navigator Company does business, seeking to ensure that the relationships established and developed are lawful and do not represent a risk of criminal activity.

In keeping with the values underpinning the Navigator Company's business activities, the PPR is designed to comply with the provisions of the CPCPR and to identify the risks of corruption and related offences to which Navigator is exposed during its business activities, and comprises the following components:

- Characterization of Navigator, describing its mission, vision and values;
- Explanation of Navigator's organic structure and internal workings, with special focus on its governance model;
- Definition of the general person responsible for the execution, control and review of the PPR and of the Navigator's departments with responsibility for the different measures adopted;
- Identification of the risks of corruption and related infractions associated with the Navigator Company's operations and the specific areas that are potentially most exposed to each of them;
- Identification and definition of the preventive and corrective measures, in force and to be adopted, which mitigate the probability of the risks materializing and the potential effects of such materialization.

## II. DEFINITIONS

CONCEPT	DEFINITION
Benefit	<p>Any undue advantage or promise of advantage, including:</p> <ul style="list-style-type: none"> <li>— gifts (including any gifts, gratuities, benefits, discounts, services, promotional items, loans, gift cards, prizes or other tangible or intangible property with monetary value, for which the recipient does not pay fair market value);</li> <li>— meals;</li> <li>— travel, transportation and lodging opportunities;</li> <li>— employment (including offers of employment or promises of employment);</li> <li>— entertainment (including entertainment or recreational activities and tickets);</li> <li>— personal or business favors; or</li> <li>— donations.</li> </ul>
Employee	<p>Any person who, regardless of their position in Navigator, maintains a permanent or temporary employment relationship with Navigator, as well as any person with an employment and/or regular relationship with companies subcontracted by Navigator that, directly or indirectly, perform functions for Navigator (members of corporate bodies, employees, service providers, agents, auditors and consultants).</p>
Conflict of Interest	<p>Any facts that, objectively or subjectively, directly or indirectly, reveal themselves to be susceptible to question, or in any way influence or appear to influence the duty of independence, making interests different from Navigator's interests relevant in the decision making process, whether these interests are financial or not, their own or those of third parties.</p>
Corruption and Related Offenses	<p>Crimes of corruption, receiving and offering undue advantage, embezzlement, economic participation in business, concussion, abuse of power, prevarication, influence peddling, laundering or fraud in obtaining or diverting a subsidy, grant or credit, provided for in the Penal Code, as amended, in Law No. 34/87, 16 July, in the Code of Military Justice, approved by Law No. 100/2003, 15 November, in Law No. 50/2007, 31 August, as amended, in Law No. 50/2007, 31 August, as amended. No. 34/87, of July 16, in the Code of Military Justice, approved in annex to Law No. 100/2003, of November 15, in Law No. 50/2007, of August 31, as amended, in Law No.</p>

	20/2008, of April 21, as amended, and in Decree Law No. 28/84, of January 20, as amended.
Counterparty	Potential or current investors, business partners, suppliers or customers of the Navigator Company Group.
Supplier	Natural or legal person who supplies products or provides services to any entity of the Navigator Company Group.
Civil Servant	<p>he concept of civil servant covers, for the purposes of this Plan, any person who performs the following functions:</p> <p>Civil Servant:</p> <ul style="list-style-type: none"> <li>(i) Any civilian or military public employee;</li> <li>(ii) Any person who holds a public position by virtue of a special bond;</li> <li>(iii) Any person who, even if temporarily or temporarily, for remuneration or free of charge, voluntarily or compulsorily, has been called to perform or to participate in the performance of an activity comprised in any activity comprised in the public administrative or judicial function;</li> <li>(iv) Judges of the Constitutional Court, judges of the Court of Auditors, judicial magistrates, magistrates of the Public Prosecutor's Office, the Attorney General, the Ombudsman, members of the High Council of the Judiciary, members of the High Council of the Administrative and Fiscal Courts, and members of the High Council of the Public Prosecutor's Office;</li> <li>(v) The arbitrator, the juror, the expert, the technician who assists the court in judicial inspection, the translator, the interpreter and the mediator;</li> <li>(vi) The notary;</li> <li>(vii) Whoever, even provisionally or temporarily, for remuneration or free of charge, voluntarily or compulsorily, performs or participates in the performance of a public administrative function or exercises functions of authority in a legal person of public utility, including private charities;</li> <li>(viii) Who perform or participate in the performance of public functions in a public association.</li> </ul>

	<p>(ix) Members of the management or administrative body or supervisory body and employees of public, nationalized, publicly owned companies or with a majority public capital participation, and also of companies that are concessionaires of public services;</p> <p>(x) Magistrates, officials, agents and alike of international public law organizations, regardless of nationality and residence;</p> <p>(xi) Officials who are nationals of other States;</p> <p>(xii) Magistrates and officials of international courts, provided Portugal has declared that it accepts the jurisdiction of such courts;</p> <p>(xiii) All those who exercise functions within the scope of extrajudicial conflict resolution procedures, regardless of nationality and residence;</p> <p>(xiv) Jurors and arbitrators who are nationals of other States</p> <p>(xv) Any natural person acting with authority and or on behalf of an independent administrative entity or regulatory or supervisory entity, and, namely, AT (Tax and Customs Authority), ACT (Authority for Working Conditions), ANACOM (National Communications Authority) ASF (Insurance and Pension Funds Supervisory Authority), CNPD (National Commission for Data Protection), ASAE (Food and Economic Security Authority), ERC (Regulatory Authority for the Media), AdC (National Competition Authority) and CMVM (Securities Market Commission);</p> <p>(xvi) Any natural person acting with authority and/or on behalf of a public law or private law entity, subject to a special public law regime, or public international organization;</p> <p>(xvii) (xvii) Family members of any of the individuals identified above may also qualify as Public Sector Representatives if interactions with them have the purpose or effect of conferring any gift or advantage on a public entity.</p> <p><u>Holder of Senior Public Office:</u></p> <p>(i) Public managers and members of the board of directors of a public limited company, who exercise executive functions;</p> <p>(ii) Members of the management body of a publicly-held company, when appointed by the latter;</p>
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	<ul style="list-style-type: none"> <li>(iii) Members of management bodies of companies in the regional or local business sector;</li> <li>(iv) Members of management bodies of public institutes;</li> <li>(v) Members of the board of directors of an independent administrative entity;</li> <li>(vi) Holders of 1st and 2nd level senior management positions and equivalent and top managers of municipal councils and municipal services, when applicable..</li> </ul> <p><u>Holder of political office:</u></p> <ul style="list-style-type: none"> <li>(i) The President of the Republic;</li> <li>(ii) The President of the Assembly of the Republic;</li> <li>(iii) The Prime Minister;</li> <li>(iv) The Members of the Assembly of the Republic;</li> <li>(v) Members of the Government;</li> <li>(vi) The Representative of the Republic in the Autonomous Regions;</li> <li>(vii) Members of the European Parliament;</li> <li>(viii) The Representative of the Republic in the autonomous regions;</li> <li>(ix) Members of the autonomous region's self-government body;</li> <li>(x) Members of the representative body of a local authority.</li> </ul>
Foreign public official	<p>The concept of foreign public official covers, for the purposes of this Plan, any person who performs the following functions:</p> <ul style="list-style-type: none"> <li>(i) <u>Foreign official</u></li> </ul> <p>A person who, in the service of a foreign country, as an official, agent or in any other capacity, even if temporarily or provisionally, for remuneration or free of charge, voluntarily or compulsorily, has been called to perform or to participate in the performance of an activity comprised in the public administrative or judicial function or, under the same circumstances performs functions in, or participates in, bodies governed by public law, or is a manager, supervisory board member or employee of a public, nationalized, publicly-owned or with a majority public capital holding, or of a company which is a concessionaire of public services, as well as any person who assumes and performs a</p>

	<p>public service function in a private company under a public contract;</p> <p>(ii) <u>International organization employee</u></p> <p>A person who, in the service of an international organization governed by public law, as an employee, agent or in any other capacity, even if temporarily or provisionally, for remuneration or free of charge, voluntarily or compulsorily, has been called upon to perform or participate in the performance of an activity;</p> <p>(iii) <u>Foreign political office-holder</u></p> <p>A person who, in the service of a foreign country, holds an office within the scope of the legislative, judicial or executive function, at national, regional or local level, for which he/she has been appointed or elected.</p>
Navigator Company Group	The Navigator Company Group comprises all legal entities over which Navigator Company exercises, directly or indirectly, a dominant influence, including but not limited to all companies in a controlling or group relationship with it.
Plan	This Prevention Plan of Risks of Corruption and Related Infringements.
General Regime for Prevention of Corruption	The Annex I, referred to in Article 1 b) of Decree-Law 109-E/2021 of December 9.
Private sector employee	A person who performs functions, including management or supervision, under an individual employment contract, provision of services or in any other capacity, even if temporarily or provisionally, for remuneration or free of charge, in the service of a private sector entity.

### III. THE NAVIGATOR COMPANY

#### A. MISSION, VISION, AND VALUES

The Navigator Company is a global company, acknowledged for the innovative and sustainable way in which it transforms forestry into products and services which contribute to people's well-being, operating based on the following principles and values:





- **Trust:** We believe in people, we welcome the contribution of each one, we respect their identity, promoting development, cooperation and communication;
- **Integrity:** We are guided by principles of transparency, ethics and respect in our relationships among ourselves and with others;
- **Entrepreneurship:** We are passionate about what we do, we like to get out of our comfort zone, we have the courage to make decisions and take risks responsibly.
- **Innovation:** We promote the knowledge and creative potential of everyone to do the impossible.
- **Sustainability:** Corporate, social, and environmental sustainability is our business model.
- **Excellence:** We focus on quality, efficiency, safety, and rigor.

## **B. RESPONSIBILITY AND COMPETENCE**

The Navigator Company's compliance system governance model is set out in its own internal regulations.

Under the terms of this document, the structure and organization of the compliance system is based on the coordinated action of the functional units of the Group's internal structure, in conjunction with the management and supervisory bodies and in accordance with generally accepted best practice, in order to support the decision-making process.

In addition to the duties of the Compliance Department, the Board of Directors, the Executive Board, the Audit Board, the Ethics Committee, the Risk Management Department and the Compliance Officers, defined in the abovementioned governance model, the Regulatory Compliance Officer is responsible for guaranteeing and controlling the application of the entire program for compliance with the duties incumbent upon The Navigator Company with regard to the prevention of corruption and related infractions, namely by monitoring the adequacy and sufficiency of the internal policies and procedures adopted and promoting the necessary changes.

The position of Regulatory Compliance Officer is held by a member of senior management who is a member of the Executive Committee. The Navigator Company also appoints the Head of Compliance as overall responsible for the execution, control and review of this Plan.

In addition to the specific duties referred to in this chapter and, in detail, in the governance model, all those to whom this Plan is addressed shall promote the values set out in it and shall take a preventive stance with regard to acts that may constitute acts of corruption and related infractions, which shall be promptly reported through the Whistleblowing Channel expressly provided for this purpose.

## **C. INTERNAL CONTROL SYSTEM**

Internal control is an integral part of the organization's operations and combines the strategies, policies, processes, systems and procedures implemented with a view to ensuring, in particular,



proper identification, assessment, monitoring and control of the risks to which Navigator is or may come to be exposed, as well as compliance with legislation, regulations and guidelines issued by the competent authorities applicable to its operations, and ensuring compliance with internal standards.

Internal control is the responsibility not only of the members of the management and supervisory bodies, but also of all the organization's employees, who perform their duties in compliance with the internal policies and standards of ethics, integrity and professionalism which characterize The Navigator Company.

With regard to the specific risks identified in this Plan, the implementation and monitoring of the internal control system is the responsibility of the person in charge of regulatory compliance, the person responsible for implementing the Plan and the Compliance area.

#### **IV. SCOPE OF APPLICATION**

The Plan applies to all entities of the Navigator Company Group and to all its employees and members of corporate bodies, including all those acting in the name or on behalf of Navigator, regardless of their department, area, legal relationship, corporate body or geographical location.

The Plan covers Navigator's entire organization and activity, including administrative, management, operational and support areas.

#### **V. RISKS OF CORRUPTION AND RELATED INFRACTIONS**

##### **A. METHODOLOGY USED FOR RISK MANAGEMENT AND ASSESSMENT**

The methodology used to identify, assess, and classify the risks of corruption and related infractions to which The Navigator Company is exposed identifies the areas of activity most exposed to each of the risks, their causes and impacts and these are assessed taking into account the probability of occurrence and the magnitude of the impact of their materialization.

The risks are grouped as follows:

- A. Risks related to suppliers and service providers;
- B. Risks related to customers and investors;
- C. Risks related to public entities;
- D. Risks related to employees.

Once the risks are identified, an assessment is made according to the probability of occurrence and the magnitude of impact of their materialization, according to:

a. Qualitative probability assessment scale

Qualitative Scale	Background	Expectation	Frequency
<b>Rare</b>	There is no record of an occurrence.	Conceptually possible.	Period of occurrence greater than 5 years
<b>Unlikely</b>	History of remote occurrences.	It is not expected to occur.	Period of occurrence between 2 years and 5 years
<b>Likely</b>	Sporadic occurrences are recorded.	It is minimally expected to occur.	Period of occurrence between 1 year and 2 years
<b>Very Likely</b>	Frequent occurrences are recorded.	It is expected to occur.	Period of occurrence between 6 months and 1 year
<b>Almost shore</b>	Continuous occurrences are recorded.	Almost certain expectation of occurrence.	Occurrence period less than 6 months

b. E Qualitative impact assessment scale

Qualitative Scale	Economic-Financial	Reputation	Compliance	Human Capital	Environmental
<b>Very Low</b>	Cumulative annual cash flow loss up to 1% of EBITDA, annual net income shortfall up to 5% or Net Debt/EBITDA ratio below 1.5.	Exclusively internal effect, without affecting stakeholders or visibility in the media.	Non-compliance with internal policies and no sanction applied.	Incident with no injuries but real damage potential (near miss) or incidents of occasional strikes or loss of knowledge/skills with no impact on the business	Insignificant effects
<b>Low</b>	Cumulative annual cash flow loss between 1% and 5% of EBITDA, annual net income shortfall between 5% and 10% or Net Debt/EBITDA ratio between 1.5 and 3.	Internal and external effect with occasional impact on stakeholders at national level and occasional visibility in national media.	Slight and punctual non-compliance with regulations or legislation or application of a fine, penalty or fine of up to €250,000.	Minor injuries with no need for external medical assistance or up to 1 day of disability or sporadic deterioration of the organizational climate with occasional strike incidents or loss of knowledge/skills in non-critical business areas	Only with internal effects
<b>Medium</b>	Cumulative annual cash-flow loss between 5% and 10% of EBITDA, annual net income shortfall between 10% and 20%, or Net Debt/EBITDA ratio between 3 and 4.	Impact on national stakeholders and widespread reactions in national media, no international exposure.	Failure to comply with regulations, legislation or licensing conditions, or application of a fine, penalty or fine between 250,000€ and 1,000,000€.	Injuries with more than 1 day of disability or prolonged deterioration of the organizational climate with incidents of occasional strikes or loss of knowledge/skills in non-business-critical areas that are difficult to recover	Internal effects and some external effects without non-compliance with limit values
<b>High</b>	Cumulative annual cash-flow loss between 10% and 20% of EBITDA, annual net income shortfall between 20% and 30%, or Net Debt/EBITDA ratio between 4 and 5.	Significant impact on stakeholders at national level and occasional at international level, with widespread and prolonged reactions in national media or occasional visibility in international media.	Recurrent and serious non-compliance with regulations, legislation and licensing conditions or application of a fine, penalty or fine ranging from €1,000,000 to €2,500,000.	Disabling injuries of more than 1 week or prolonged deterioration of the organizational climate with incidents of widespread strikes or one-time loss of knowledge/skills in critical business areas	Mostly internal effects with non-compliance to limit values
<b>Critical</b>	Cumulative annual cash-flow loss above 20% of EBITDA, annual net income shortfall above 30% or Net Debt/EBITDA ratio above 5.	Widespread impact on national and international stakeholders and chain reactions in national and international media.	Non-compliance with potential loss of licenses (license to operate) or application of a fine, penalty or fine in excess of €2,500,000.	Injuries with disability exceeding 1 month or prolonged downtime due to strike action and/or prolonged deterioration of the organizational climate or recurrent loss of knowledge/skills in critical business areas	Strong internal and external effects with non-compliance with limit values

**B. RISK MATRIX**

After assigning a probability of occurrence (PO) and magnitude of impact (MI) value to each risk, by combining these criteria, the severity of each risk is calculated, according to the following formula:

$$\text{Risk Severity} = \text{PO} \times \text{MI}$$

Based on the severity of the risk, a risk matrix is constructed, in which each risk is rated on a scale of negligible, low, moderate, high, and critical:

- If the calculated risk translates into a **negligible** degree of severity, it does not require additional mitigation measures;
- If the calculated risk translates into a **low** degree of severity, it may require the implementation of additional mitigating measures;
- If the calculated risk translates into a **moderate** degree of severity, it requires the implementation of additional mitigating measures;
- If the calculated risk translates into a **high** degree of severity, it requires the implementation of immediate measures;
- If the calculated risk translates into a **critical** severity grade, it requires the implementation of immediate and priority measures.

From which the following risk matrix results:

IMPACT	Severe	High	High	Critical	Critical	Critical
	High	Moderate	Moderate	High	Critical	Critical
	Medium	Low	Low	Moderate	High	High
	Low	Negligible	Negligible	Low	Moderate	Moderate
	Very Low	Negligible	Negligible	Negligible	Low	Low
		Rare	Unlikely	Likely	Very Likely	Almost certain

### C. RISK IDENTIFICATION AND ANALYSIS

The specific risks of corruption and related infractions to which the Navigator Company is exposed are identified in Annex I to this Plan, as well as their classification, evaluation and final grading, carried out as described in this chapter.

**VI. PREVENTIVE AND CORRECTIVE RISK MEASURES**

Notwithstanding the detailed identification, in this chapter, of the preventive and corrective measures aimed at mitigating each of the risks identified in chapter V, it should be noted that there are several regulations and policies, already implemented and under implementation, which provide for procedures and rules aimed at addressing these risks, of which we highlight the Code of Ethics and Conduct, the Code of Conduct for Suppliers, the Policy for the Prevention of Corruption and Related Infringements, the Policy for Verification of the Integrity of Third Parties, the Policy for the Prevention of Money Laundering and the Financing of Terrorism, and the Regulations on Conflicts of Interest and Transactions with Related Parties.

At the date of approval of this Plan, a number of internal rules are already in force, accessible to all The Navigator Company's employees, ensuring prevention of the risks of corruption and related infractions, in line with what has become the Company's practice, in view of the values on which its operations and conduct are based.

These mitigating measures, both those already in force and those in the process of implementation, are included in Annex I to this Plan.

**VII. PLAN MANAGEMENT**

**A. MONITORING AND EVALUATION**

The monitoring of the Plan is ensured through the preparation, in October of each year, of an interim evaluation report of the situations identified as high or critical risk and the preparation, in April of each year, of an annual evaluation report that should contain, namely, the quantification of the degree of implementation of the preventive and corrective measures identified, as well as the forecast for their full implementation.

**B. REVIEW AND UPDATE**

The Plan will be subject to revision every three years or whenever a change occurs in the attributions or organic or corporate structure of Navigator that justifies its revision.

Revision history logging:

DATE	RESPONSABLE	SUMMARY OF CHANGES



**C. DISCLOSURE/ADVERTISING**

The Plan is public and for all Navigator's employees and is fully disclosed on the intranet page.

**VIII. ISSUES**

Without prejudice to the provisions of The Navigator Company's Whistleblowing Rules, any questions about the Plan should be addressed to the Compliance Area, through the e-mail address [compliance@thenavigatorcompany.com](mailto:compliance@thenavigatorcompany.com)