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# **Internal Control Policy**



**CTT Group**  
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Given the complexity, scale, geographical reach, and diversity of CTT Group's operations, an internal control system (ICS) is essential from a corporate governance standpoint.

This system encompasses the necessary skills to ensure effective oversight of the group's activities and businesses, and to maintain the reliability and integrity of both voluntary and mandatory disclosures and reports.

**I. Principles and Purpose**

The Internal Control Policy of CTT Group, in compliance with applicable standards and best practices, is guided by the following principles:

- a) Organization of internal control following the three lines of defense model: business; risk management and compliance; and internal audit.
- b) Independence and autonomy of the risk management and compliance functions, as well as the internal audit function.
- c) Auditing of the risk management and compliance functions by the internal audit department.
- d) Classification of these functions as essential, positioning them at the top management level, with reporting to the Audit and Corporate Governance and Risk Committees, comprised of non-executive members, the majority of whom are independent, ensuring proper linkage and reporting to the Board of Directors.
- e) Ongoing assessment of risks, processes, and controls to drive the evolution and enhancement of the internal control system, ensuring alignment with CTT Group's strategy.
- f) Effectiveness of preventive, reactive, and corrective or mitigating actions in response to identified risks and/or their occurrence.

## II. Organizational Architecture of the Internal Control System

The Board of Directors is responsible for establishing and maintaining an internal control system, guided by the three lines of defense model and adhering to best practices in auditing and internal control:

1st Line of Defense: Composed of corporate, operational, business, and support areas responsible for implementing internal controls associated with the organization's processes, ensuring they are conducted with integrity, efficiency, and in compliance with internal and external guidelines, as well as managing associated risks.

2nd Line of Defense: Composed of areas responsible for risk management, compliance, internal control, financial control, and information security functions. These areas suggest policies and perform supervisory, control, and support functions, ensuring that risks are properly managed.

3rd Line of Defense: Conducted by the internal audit function, which independently oversees and assesses the effectiveness of controls and risk management processes implemented by the other lines of defense.

The Corporate Governance and Risk Committee monitors risk management activities, the level of risk exposure, the effectiveness of major risk mitigation plans, and supports the evaluation of the internal control system's functioning. It also advises the Board of Directors on current and future general risk policies and strategies, as well as risk appetite.

As CTT Group's supervisory body, the Audit Committee is responsible for the comprehensive oversight of the effectiveness of risk management, internal audit and internal control systems.

### III. Objectives and Commitments

Recognizing the importance of the Internal Control System (ICS) for ensuring the security, resilience, and success of its strategy and operations, CTT Group commits to the following, in alignment with its other applicable policies:

- a) Maintain the ICS by integrating risk assessment and management activities, monitoring and verification processes, and both internal and external communication.
- b) Allocate sufficient resources to ensure prompt and appropriate responses for the prevention and remediation of identified risks.
- c) Encourage the development of processes, procedures, control points, and risk indicators tailored to the criticality of products, services, and processes for CTT Group's sustainability.
- d) Ensure timely, periodic, or *ad hoc* communication with various stakeholders regarding risks, opportunities, and material impacts, ensuring transparency and accuracy.
- e) Foster the integration and complementarity between the ICS and the principles outlined in CTT Group's Code of Ethics.

### IV. Scope: Value Chain and Stakeholders

This Policy applies generally to all entities and collaborators within CTT Group, except where legal, regulatory or statutory requirements mandate that certain companies have their own policies approved by their respective supervisory and management bodies.

In exercising its shareholder function, CTT Group will seek to promote the adoption of this policy or equivalent principles and commitments, ensuring the overall consistency of the policies adopted within the group, so that companies with their own policies define them in terms no less stringent than those defined directly by CTT Group, always respecting the requirements of the regulatory authorities, where applicable.

In observing this policy, CTT Group will also consider its external impact, beyond its direct counterparts, on various stakeholders, including the surrounding community.

## V. References and Safeguards

In implementing this Policy, CTT Group observes and promotes compliance not only with applicable general legislation and regulations but also with the following references and safeguards, to be adhered to and enforced through its governance model and in conjunction with the group's other policies:

- (i) **OECD Guidelines for Multinational Enterprises**, particularly regarding the fight against bribery and other forms of corruption.
- (ii) **Paris Agreement**, particularly regarding transparency.
- (iii) **BSCD Portugal Charter of Principles**, particularly concerning legal compliance and ethical conduct.
- (iv) **Internal Control-Integrated Framework** by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

## VI. Governance: Decision, Execution, Control, and Disclosure

The implementation of this Policy takes place within the framework of CTT Group's internal governance model, as outlined in the respective regulations, under the following terms:

<b>Definition:</b>	Board of Directors
<b>Implementation:</b>	Areas and bodies within the organizational structure that perform the functions defined above for the 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> lines of defense
<b>Control:</b>	Audit Committee and Corporate Governance and Risk Committee
<b>Disclosure:</b>	Areas responsible for internal and external communication and dissemination.

## **VII. Validity and Review**

This Internal Control Policy was approved on 20 March 2025 and is reviewed at least every 2 years.