SUSTAINABILITY REPORT

2022

ENDUTEX

About the report

2-1 | 2-2 | 2-3

Our first Sustainability Report marks the beginning of our sustainability journey. With this report, we aim to demonstrate our commitment to tackle ESG topics by transparently and rigorously disclosing our sustainability performance in 2022, highlighting actions and initiatives that have enabled us to mitigate our activities' negative environmental, social, and governance impacts, but also to create value for our stakeholders.

This document sets out the approaches and performance on ESG matters of Endutex SGPS, S.A., demonstrating how these dimensions are integrated into our business identifying the areas that merit our greatest focus.

Endutex Sustainability Report 2022 follows the 2021 version of the Global Reporting Initiative (GRI) Standards, covering the reporting period between 1 January and 31 December 2022. This document includes sustainability information regarding the companies operating in the most relevant sectors for our Group - Industry and Hospitality & Real Estate – and headquartered in Portugal (listed in Appendix 5.1). Quantitative environmental information related to Real Estate activities only includes Oeiras Tower. In the coming years, we plan to extend the scope of the Sustainability Report to other areas, sectors, and geographies in which our Group is operating.

Any clarification, suggestions, or supplementary information (e.g., GRI table, methodological notes, table of indicators) can be forwarded or requested via email to sustentabilidade@endutex.pt.

Index

1. Introduction 4
1.1 CEO Letter 4
1.2 Our 2022 year 5
2. Endutex 6
2.1 Who we are 6
2.2 Our activity 8
2.3 Our value chain 10
2.4 Governance model 14
3. Our approach 15
3.1 ESG trends 15
3.2 Materiality and material topics 17
4. What we are doing 18
4.1 For the environment 18
4.2 For our people and communities 36
4.3 In our Governance 51
5 Appendixes 61
5.1 Sustainability Report Scope 61
5.2 Table of material topic indicators 62
5.3 List of acronyms and abbreviation 63

1. Introduction

1.1 CEO Letter

2-22

As we navigate the highly dynamic business landscape, we must recognize and assume our responsibilities to a broader community and the environment.

Endutex has embarked on a new journey towards greater sustainability and responsibility concerning environmental, social, and governance issues. We understand that our stakeholders, including customers and employees, highly value transparency and responsible business practices. ESG reporting allows us to meet and exceed all their expectations. This initiative is an opportunity to showcase our commitment and vision to long-term value creation.

At Endutex, we aim to continue contributing to global efforts to combat climate change by embracing environmentally friendly initiatives.

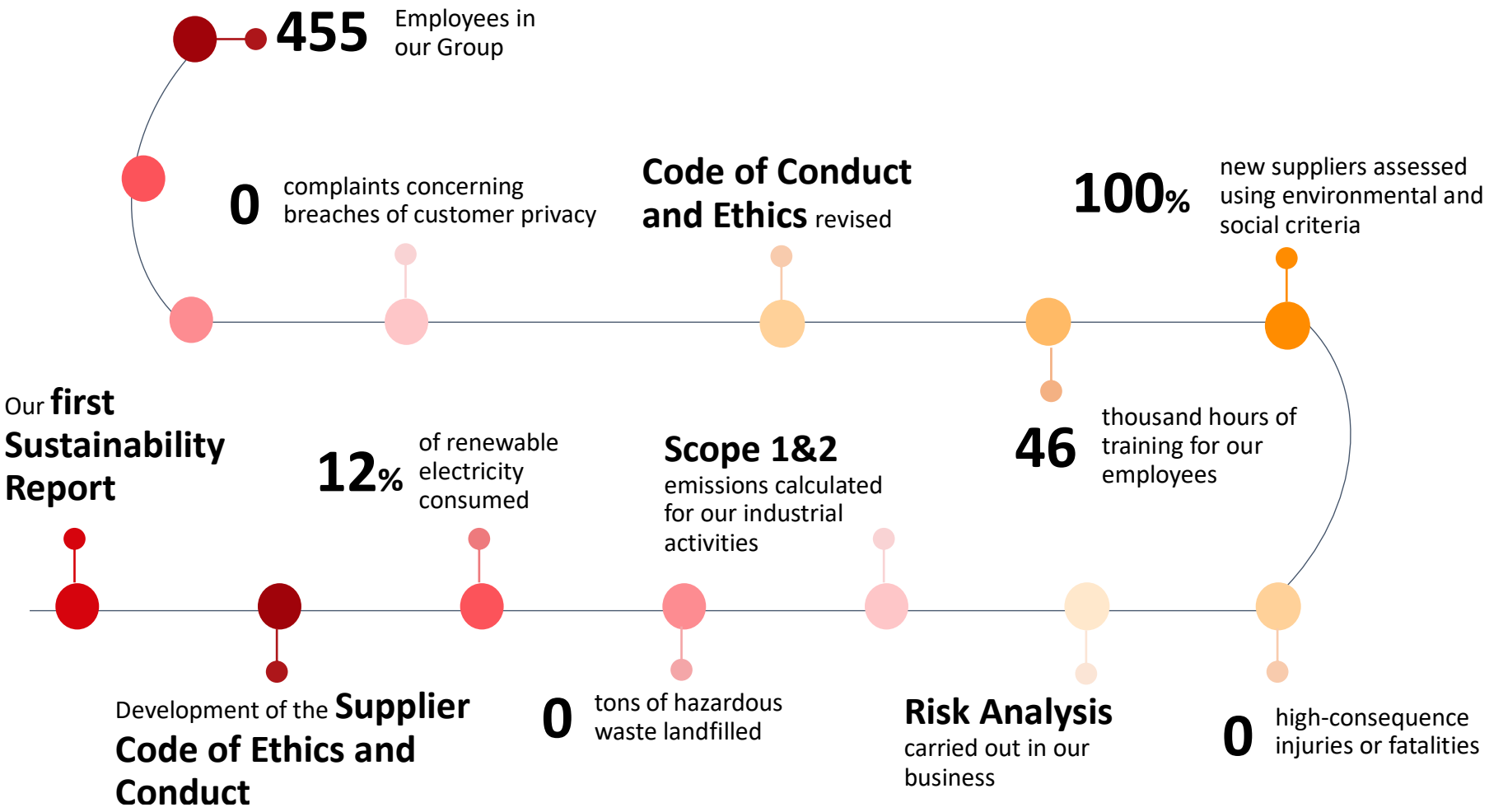
Our success is deeply intertwined with the well-being of all: our employees, customers, and the communities we serve. We are dedicated to fostering a diverse, inclusive, and equitable workplace where everyone feels valued and empowered.

Transparency, accountability, and ethical behavior are the cornerstones of our governance. We are committed to upholding the highest standards in our decision-making processes, ensuring our actions align with our stakeholders' expectations.

Addressing the challenges ESG poses requires collaboration and a high dose of innovation. At Endutex, we are fully committed to shaping a sustainable future and generating sustainable value for all stakeholders. Therefore, I dedicate a special thank you to all Endutex teams, who deserve recognition for all their commitment and competence that daily contributed to our achievement and results and the raising of our Group's standards.

Vitor Abreu
CEO

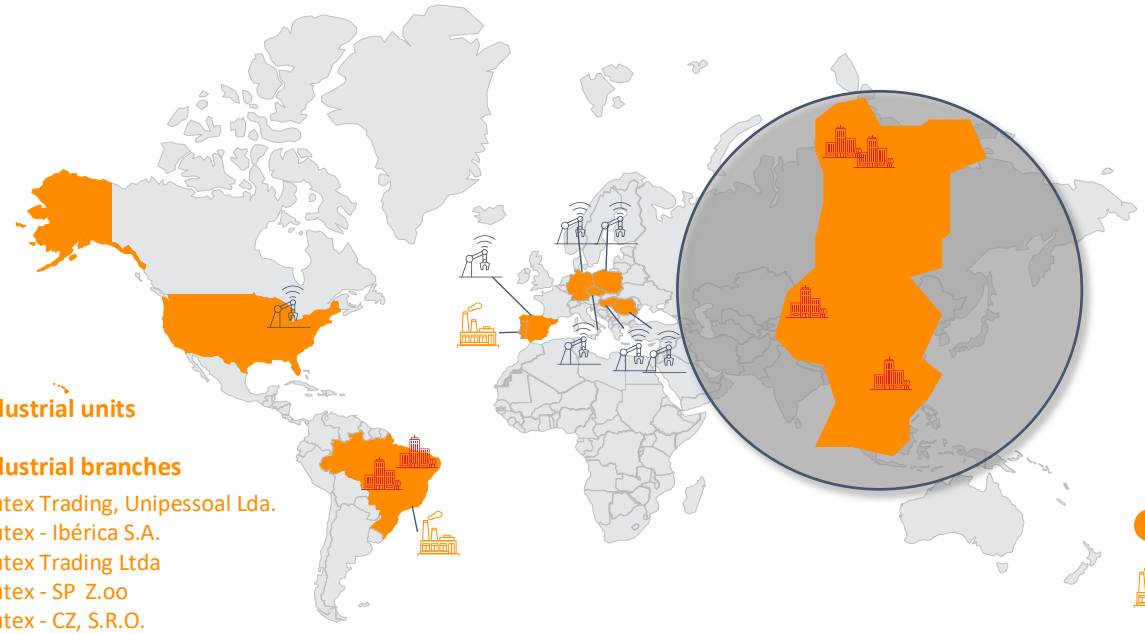
1.2 Our 2022 year



2. Endutex

2.1 Who we are

With more than 50 years of existence, our Group - Endutex SGPS, S.A. - comprises a variety of companies operating in different business areas. Specialised from the beginning in the textile coating industry, our Group currently has around 1,000 employees active in the industry sector – focused on textiles, distribution, and energy production – but also in the Hospitality & Real Estate sector. Our Group is present across 10 countries, with industrial and hotel units in Portugal and Brazil, and commercial branches in other countries responsible to take our industrial products into other markets.



4 Industrial units

7 Industrial branches

Endutex Trading, Unipessoal Lda.
Endutex - Ibérica S.A.
Endutex Trading Ltda
Endutex - SP Z.oo
Endutex - CZ, S.R.O.
Endutex Print Solutions, KFT
Endutex Germany GMBH

6 Hotels

We are a worldwide Group

Industry Presence
Industrial Units
Industrial Branches
Hospitality Presence

Industry

Production of technical textiles, including industrial activities focused on weaving, knitting, dyeing, and coatings, and energy cogeneration

31% of our Group turnover in 2022*

Hospitality & Real Estate

Development of real estate projects, asset management, and hotels operational management

8% of our Group turnover in 2022*

*Values referring to the consolidated turnover of the Endutex Group

Our identity is drafted by our values and guided by our sectors' missions and visions

At Endutex, we are proud to maintain and comply with our values. We cultivate relations with our stakeholders built upon our values by adopting legal, ethical, and professional conduct. We aim to continue to shape the future of our Industry and Hospitality & Real Estate sectors through our innovation and experience, while diversifying our business into different sectors based on our values, which are common to all Group companies.



Our businesses have a unique and shared identity. In this spirit that we share the missions and visions of the sectors within this Sustainability Report scope - Industry and Hospitality & Real Estate.



Industry

Our mission

To develop high quality, innovative and competitive technical textiles for customers around the world, from the production of the textile support (knitting and weaving) to its finishing (dyeing) and coating.

Our vision

To be a world reference company in the technical textiles sector, creating value for customers, employees, the community, suppliers, and shareholders, with a focus on innovation and sustainable development.



Hospitality & Real Estate

Our mission

To maintain the culture of service and the ability to adapt to the market, our customers, and the culture of the countries where we operate, by focusing on detail, good practices, and precise procedures.

Our vision

To ensure that our brand continues to grow and innovate, we invest in the resilience of our business, processes, resources, and culture, with the aim of growing in the market without sacrificing the comforts necessary to provide a modern and peaceful environment for our customers.

2.2 Our activity

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We have been growing in a sustainable way, acquiring a good reputation among our stakeholders in the sectors in which we operate, namely in Industry, our largest business sector, and Hospitality & Real Estate. As our business grew, we have expanded into different regions and are proud to benefit from ever-increasing market knowledge.

Industry

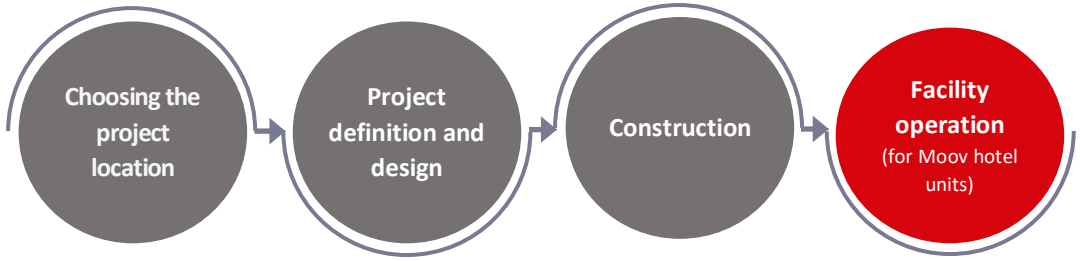
Endutex - Revestimentos Têxteis
Endutex - Tinturaria e Acabamento de Malhas

Hospitality & Real Estate

Endutex Hotéis
Endutex Imobiliária

In the Industry sector, we produce technical textiles, focusing on producing of technical coated textiles with PVC, polyurethane, acrylic, silicone and other polymers. Our know-how in the industrial area allows us to have integrated production capability from weaving and knitting, up to the final coating operation, providing us with complete control over the final product – a product delivered to a diverse set of target areas: digital printing, textile architecture, automotive sector, protective clothing, artificial leather, household textiles and others. Our Industry is divided into four cornerstones: knitting and weaving, dyeing, coatings and finishing.

Throughout the years we have become a reference in coated technical textiles, standing at the forefront of this sector, with a steady growth of exports and revenue. A continuous commitment to quality governs our journey, as do a comprehensive production capability and a growing passion for adopting a more sustainable business.



At the Hospitality & Real Estate sector, we are represented by our Moov Hotels, set in several locations across Portugal and Brazil, and by Endutex Real Estate, which is dedicated to developing Real Estate projects, and managing Real Estate assets. Both these segments work together under a cycle that goes from the design and execution of our hotel construction projects – Endutex Real Estate - to the actual operation of each hotel unit – Moov Hotels.

In the Hospitality, our Moov Hotels offer practical and comfortable accommodation with a minimalist design that guarantees comfort and quality services. We want our hotels to be an attractive option for those looking for an urban and comfortable stay, characterised by a contemporary, elegant and sleek environment. In 2022, we operated four hotel units in Portugal, strategically located throughout the continental territory, such as Porto, Évora, and Oeiras. Next year, we plan to open a new hotel in Lisbon, near Parque das Nações.



Oeiras



Porto Norte



Porto Centro



Évora

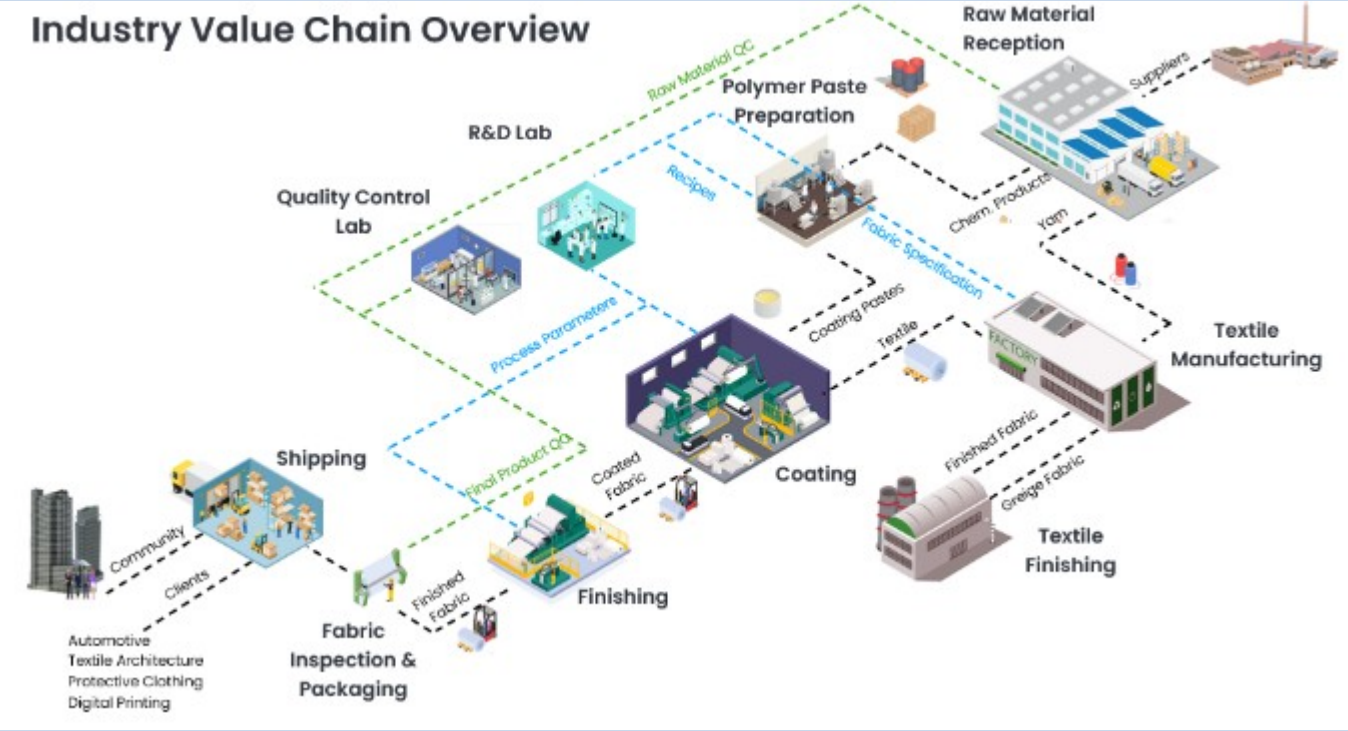
Endutex Real Estate, in addition to covering the construction of new Real Estate assets, dwells on managing other Real Estate assets, which has a portfolio of assets that are divided into industrial, commercial, and service spaces. Currently, we have 50,000 m^2 under our management and a total of 70 million euros assets spread throughout the country, such as our offices in Oeiras Tower, our offices in Porto and our two industrial parks.

2.3 Our value chain

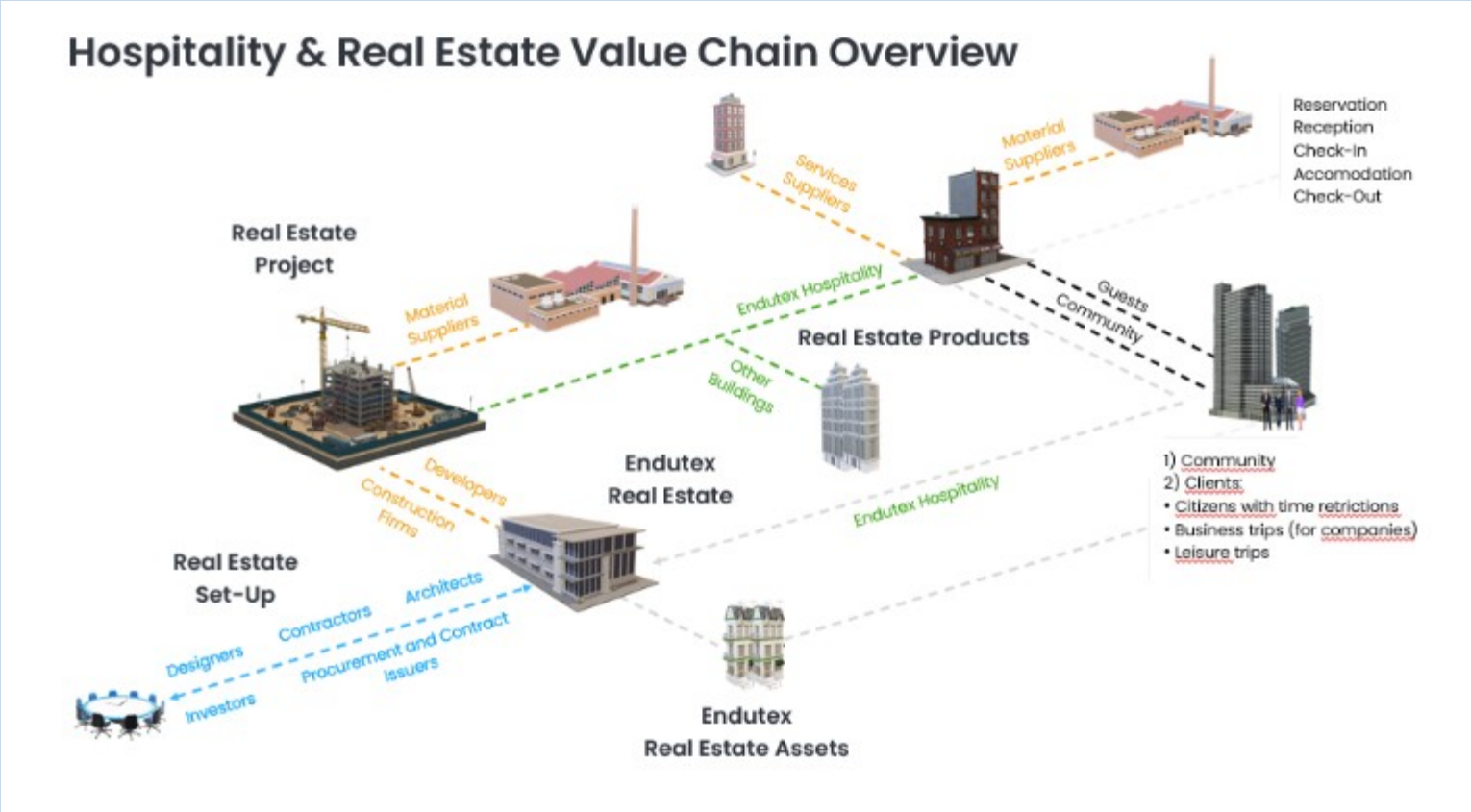
2-6 | 2-28 | 2-29

Our Group is composed by different entities developing activities across diverse sectors and delivering products and services to a varied set of customers from B2B to B2C, therefore, our value chain is complex and has undergone a significant evolution together with our business diversification expansion. Customers and end-users, suppliers and business partners, employees, local communities, financial and regulatory bodies have all contributed to our success over the years and the longevity and sustainability of Endutex requires responsible management of this value chain.

In the Industry sector, our value chain includes our suppliers, essential for our production process as they provide the necessary raw materials and resources; our partners working in the scientific academic field, with whom we develop our RDI (Research, Development, and Innovation) projects; and the local community. Our clients are a fundamental part of our downstream value chain, companies operating in diverse sectors, from automotive to digital printing, with different end-users. As a result, our clients demand distinct product specificities and requirements, essentially in terms of applicability, durability, reliability, and resistance to extreme conditions.



In the Hospitality & Real Estate value chain, through Endutex - Real Estate, we are involved in the development and construction of new projects where we work with our designer and architect partners. This segment also includes our investors, construction companies and their respective raw material suppliers. In Endutex – Real Estate, a fundamental part of our downstream value chain are our customers. Within this group of stakeholders, we highlight our hospitality company - Endutex Hotels- which explores and operates the Real Estate projects we develop, the Moov Hotels. In this case, our value chain includes our suppliers, who enable us to provide the necessary operating conditions for our hotels, as well as our customers and local communities.



We want our stakeholders to be part of our journey of sustainability and ESG integration into our business from the outset, by building trustworthy and lasting relationships with the groups that influence or are influenced by our activities. For this purpose, it is essential to promote dialogue and engagement with customers, employees, suppliers and partners, shareholders, and the surrounding communities, to address their concerns and meet their expectations. Through a regular two-way communication, assured by the channels listed in the table below, we incorporate our diverse set of stakeholders in the corporate strategy, thus maintaining our Group's reputation and contributing to our business growth in each sector.

Stakeholders	Communication channels	Main concerns and topics raised
Customers	• Newsletter; • E-mails; • Customer service; • Social media; • Participation in international fairs and events; • Visits to our facilities; • Periodic meetings and contacts.	• Ethics and compliance; • Health and safety; • ESG certifications; • Value chain management; • New products.
Employees	• Reporting channel; • Satisfaction surveys; • Team events (Christmas dinner); • Support for initiatives/projects.	• Ethics and values; • Safety, health and well-being; • Remuneration and recognition policies; • Training and development.
Suppliers and Partners	• Corporate website; • Training actions; • Satisfaction survey; • Information webinars; • Supplier code of conduct; • Periodic meetings and contacts; • Responding to external requests.	• Health and safety; • Human rights; • New products; • Knowledge sharing; • Diversity and inclusion.
Shareholders	• Report and Accounts; • Corporate Website.	• Financial sustainability; • Awards and distinctions; • Environmental impacts.
Community	• Newsletter; • Social Networks; • Seminars and workshops.	• Ethics and compliance; • Social responsibility practices; • Recruitment.

Fostering strategic partnerships is fundamental to accelerate the implementation of best practices in our activities and to enhance the differentiation of our products, especially those resulting from our industrial activities. In this area, we intend to steer our actions as a promoter of synergies by establishing strategic partnerships that, together with our technical team and our research, innovation and development laboratory, will allow us to innovate, change, reduce impact and continue to grow. For us, these partnerships are fundamental to our customers' satisfaction.

We are one of the members of the Centre for Waste Valorisation (CVR), a private non-profit association whose aim is to support the development of innovative waste management options, considering the industrial process stages in an economically and environmentally suitable approach. As a result of this collaboration, we have carried out several studies regarding energy recovery of our waste.

We are part of ATP, the Textile and Clothing Association of Portugal, an organisation of employers in the Portuguese textile sector, which aims at uniting textile, clothing, and fashion companies, defending their interests and creating conditions that allow for competitiveness and development.

We are also a partner of CITEVE, a technology centre that provides companies in the textile and clothing sector with a portfolio of services including laboratory testing, product certification, technical and technological consultancy, R&D, training and fashion and design.

2.4 Governance model

Our Board of Directors currently consists of six members, three of whom, including the Chairman, are executive members with various functions within our Group. The remaining members are non-executive and have an advisory role. This Board is driven by our code of ethics and conduct and our Group's values that reinforce our standards of integrity in the management of the Group, to ensure that the conflicts of interest are also prevented and mitigated.

Regarding sustainability, this body is currently responsible for reviewing and approving our reported information, including our material topics. Our holding company compiles the sustainability information reported.

The identity of our Group is common to all our companies, as are the guidelines and policies set by our Board of Directors. However, as a Group with a presence in different sectors of activity, the day-to-day management of public affairs is delegated by our Board to our companies. Our companies are therefore responsible for the strategic direction and implementation of our Group's policies, ensuring the resilience of our businesses in the sectors in which we operate.

To follow good governance practices and ensure value creation from a Group perspective, we intend to appoint a responsible for sustainability within our Board of Directors, including our international subsidiaries, to ensure the definition of ESG strategies, policies, and targets, and to manage the environmental and social impacts of our activities, ensuring that there is a straightforward process for regular reporting to our Board.

50% | executive members

50% | independent members

Our Board of Directors

- **Vítor Manuel da Cunha Abreu**
  Chairman of the board of directors
- **Joaquim André dos Santos Ribeiro Ferreira**
  Executive member
- **Américo Alberto das Neves Godinho**
  Executive member
- **José António Neves Ferreira de Magalhães**
  Non-Executive member
- **José João Neves Ferreira de Magalhães**
  Non-Executive member
- **Vítor Manuel de Magalhães Abreu**
  Non-Executive member

3. Our approach

3.1 ESG trends

In recent years, businesses worldwide have experienced major global macroeconomic disruptions, from the COVID-19 pandemic to several armed conflicts worldwide, leading to constraints across value chains and increased instability and uncertainty across all sectors. Simultaneously, we watch the rising pace of the digital transition, the emergence of new technologies, and the growing concerns for environmental and social issues, both imposing changes in consumer behaviour. Companies increasingly need to be able to rapidly adapt to external changes and demands – one of them being the integration of ESG topics in their business strategy.

We look forward to tackling the current trending challenges in our sectors of activity, Industry and Hospitality & Real Estate. There is a need to readjust our corporate strategy – one that should aim to create long-term value across the value chain, whilst growing our resilience, necessary to assess and withstand changing ESG trends and to guarantee business development and longevity.

In the textile industry, the driving force for developing and offering new solutions is mainly related with clients' and end-users' changing needs and demands. This is especially relevant in our automotive clients, given the rise of autonomous and electric vehicles, as well as, shared mobility practices, given its potential implications in textile materials demands regarding comfort, durability, hygiene, odour, and noise control.

From a broader view, the main ESG trends observed in industry-related companies can be attributed to the generalised rising concern for environmental issues. In the textile industry, these are mainly related to the impact of textile production on climate change, waste production, and water consumption. For this reason, in textile factories, as well as, industrial units of other sectors, there has been a rise of energy-, resource-, and water-efficiency initiatives accompanied by the adoption of renewable energy alternatives. Other strategies were adopted to reduce the environmental impact of textile products and processes, including the choice of alternative raw materials or the adoption of innovative techniques. Due to their versatility and recyclability, it has been observed a shift to natural fibres such as cotton, milkweed, flax and hemp, and an increase of non-woven fabrics. Furthermore, digital printing, a more sustainable textile printing alternative, has increased. In general, textile manufacturers are investing in developing and adopting alternative production processes that are less water and chemical intensive, promoting circularity by using renewable, recyclable, or recycled materials.

To reduce their own carbon footprint, increase corporate responsibility, assure compliance with established requirements, and maintain transparency regarding ESG impacts, various industrial companies have been working to improve their procurement practices, by evaluating their supply chain using environmental and social criteria and influencing business partners to participate in their sustainability efforts. Other strategies are also being implemented internally, with the incorporation of ESG performance in board remuneration policies.

The digitalisation of industry is also an important driving trend, with new innovative technological solutions emerging to address new challenges related to ESG topics. All these changes require the integration of adaptable and specialised workers across the company's vertical structure. So, textile manufacturers have been developing different hiring processes and new training programs to upskill and reskill employees and enable them to respond adequately to the current challenges. Likewise, in Hospitality &Real Estate, sectors known for their high workers' turnover, organisations are starting to value talent retention more and more - by implementing actions that motivate and reward their workers, organizations aim to prevent costs associated with the integration and training of new hires. Diversity within the workforce is also regarded as relevant for a

customised service with increasing quality. In this sector, the digital transition has drawn attention towards matters such as data protection, cybersecurity, and the privacy of customers, driving organisations to develop policies and procedures to ensure their safety. The rising concern over the impact that both Hospitality & Real Estate activities can have on local communities has been stimulating organisations to take accountability for these adverse effects and implement measures that compensate and mitigate them, through hiring locals and protecting local cultural heritage.

Environmentally, the mitigation and adaptation to climate change are challenges that also influence Hospitality & Real Estate. Similarly, to the textile industry, companies in this sector are also working on energy efficiency measures, from the implementation of integrated and increasingly intelligent solutions to on-site production of renewable energy. Furthermore, many organisations are establishing science-based targets for greenhouse gas (GHG) emissions reduction. This concern also reflects greatly on new buildings design – currently, there is a rising interest for buildings with reduced environmental impact, that potentiate the use of natural lighting and ventilation and the incorporation of low-maintenance green spaces. Another trend, driven by the growing consideration for climate change effects in the long-term, is the implementation of strategies that allow to improve the resilience of new buildings in case of extreme climate events. Considering the entire life cycle of buildings at the design phase is also increasing, promoting buildings that can be repurposed and stimulate the local economy.

Resource management is transforming the Hospitality & Real Estate sectors, with the rising interest from each player in this process chain to study and implement more sustainable building solutions, materials, and practices. During the operation of hotels and other public infrastructure where the comfort of the end-user is fundamental, it is easy to occur an excessive resource consumption and waste generation. For this reason, many organisations are implementing measures such as the collection of rainwater, to mitigate the effects of excessive water consumption, or the abolishment of single use plastics, to reduce the generation of waste.

Across all our sectors, we recognize the risks associated with ethical breaches and the importance of conducting business with integrity and transparency, through effective governance strategies and internal control systems. With upcoming regulation, such as the Corporate Sustainability Reporting Directive (CSRD), demand for business transparency and compliance will likely increase. This is forcing companies to strengthen their disclosure practices, as the CSRD will soon require the report and verification of non-financial information from most organisations, contributing for reliability and comparability. The new directive presents new challenges for companies, including new reporting standards, the European Sustainability Reporting Standards (ESRS), the introduction of the double materiality analysis concept and the EU Taxonomy.

This first sustainability report marks the beginning of our journey in the disclosure of non-financial information and represents a step towards the requirements of the CSRD, which will come to full effect over our Group in 2026, considering the report relative to the fiscal year of 2025.

3.2 Materiality and material topics

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At Endutex, we are active in several segments, markets, and geographies and we must respond to a diversity of increasingly pressing ESG challenges. For this reason, we conducted in 2022 our first ESG benchmark exercise, to address the main trends and practices in ESG matters in the Industry and the Hospitality & Real Estate sectors and to identify the most relevant topics for our activities.

The benchmark exercise comprised the analysis of 23 peers (15 for Industry and 8 for Hospitality & Real Estate), selected based on defined criteria - presence in Sustainability ratings (e.g., S&P, MSCI, CDP) and their positioning in the market – as well as the identification of the most relevant topics for the sectors based on desk research.

In this benchmarking, we identified 13 potentially relevant topics, which were then assessed for potential materiality, considering environmental and social impacts of our operations on these topics and their relative importance and impact on each sector. This assessment allowed us to determine the final list of 10 material topics for our Group - the building block of this Sustainability Report.

These topics are the ones that will mark our first steps on this journey of integrating sustainability into our business. To meet our stakeholders' needs and expectations and maintain our position in our operating markets, we intend to strengthen our commitment by integrating ESG into our sustainability strategy transversely for the entire Group.



4. What we are doing

4.1 For the environment

4.1.1 Climate Change

3-3 | 302-1 | 302-3 | 305-1 | 305-2 | 305-4

In our group we are responsible for a significant amount of GHG emissions, mainly from our industrial activities, which increases our responsibility to promote mitigation measures. We recognise that climate change is an issue of particular relevance for our Group, making its mitigation a priority in our sustainability journey. Recognising its importance, we have focused our efforts on reducing our GHG emissions, including monitoring the direct and indirect GHG emissions associated with our industrial activities, and adapting to its effects.

Scope 1&2 | emissions calculated for our industrial activities

224,742 | GJ of energy consumed*

* This includes the consumption of our entire Industry, all our Moov Hotels (Hospitality), and one Real Estate unit – Oeiras Tower.



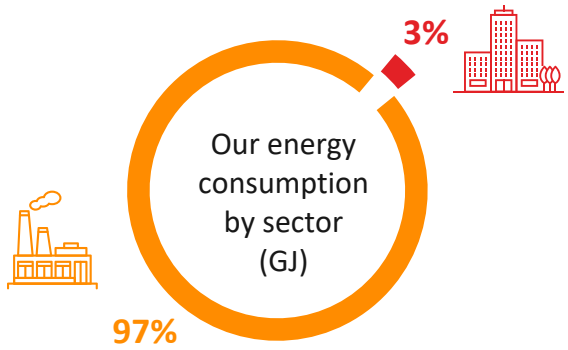
Industry

The textile industry is typically a high energy consumer and has therefore invested in energy reduction and conversion measures, contributing to the global reduction of GHG emissions. On the other hand, exposure to climate risks, while not as significant as in other sectors, can have several potential impacts on the business.



Hospitality & Real Estate

Due to the nature of their services, which involve the consumption of electricity and other energy sources to ensure the well-being and comfort of customers, these sectors can lead to high energy consumption and the consequent generation of GHG emissions. In addition to mitigating emissions, this sector needs to adapt to new climate conditions to promote a more resilient business model.



The Industry sector is the primary energy consumer in our Group, representing 97% of our Group's total energy consumption. Similarly, industrial activities are also the main contributor to GHG emissions – hence, we have calculated the sector's carbon footprint in 2022. Despite not having determined the carbon footprint associated with our remaining business activities, we are committed to developing actions and initiatives that contribute towards mitigating climate change, by setting reduction targets.

We are aware of our business exposure to climate change and vulnerability to its effects, posing potential risks that may significantly disrupt our daily operations - working on our resilience is key by adapting our operations, products, and services to ensure the longevity of our business, strengthen stakeholder confidence, and contribute to global sustainability efforts. The impacts of climate change are different for Industry and Hospitality & Real Estate, and to understand the relevance of the issue for our Group, it is important to identify risks separately to correctly address them by developing sector-specific adaptation measures.

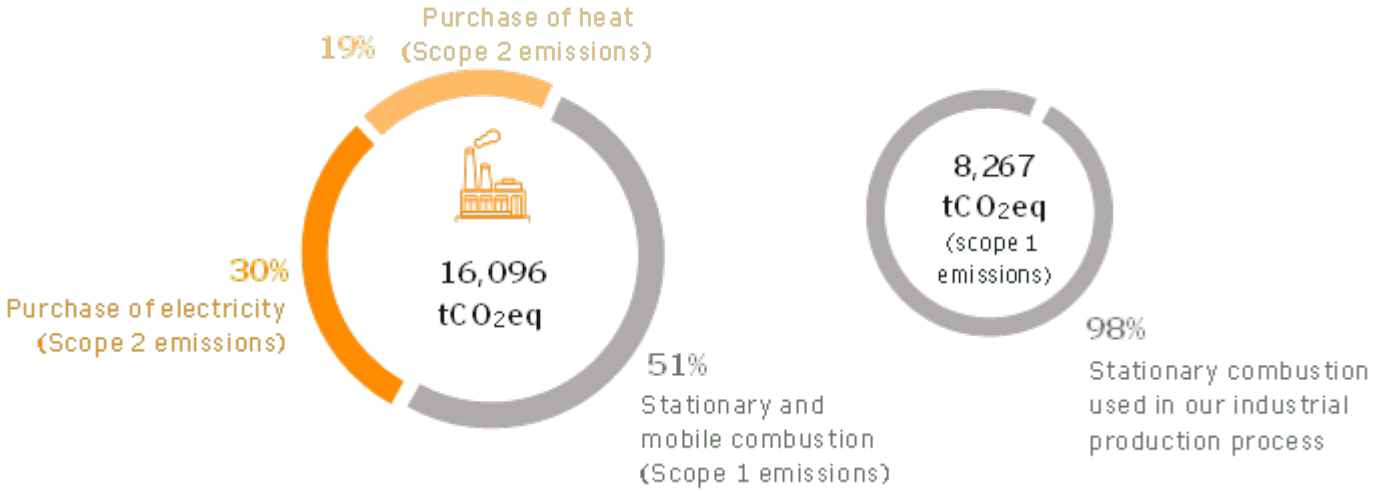
How **climate change** can **affect us**

- Increased likelihood of extreme weather events
- Impacts on the health and well-being of workers
- Damage to structures and buildings
- Loss of business opportunities or costumers due to non-compliance with carbon footprint requirements
- Effects on the physical and chemical properties of chemical products
- Disruption to the supply and availability of raw materials and of essential services (water and electricity)
- Increased costs of energy and water management technologies
- Rising sea levels causing coastal erosion and potential damage to infrastructure
- More stringent criteria due to changes in government policy and environmental requirements
- Loss of customers and reputational damage due to poor performance on energy use, GHG emissions, and other environmental issues

Industry

In 2022, we calculated our industrial activities' carbon footprint - this calculation was carried out by a third-party entity, following the GHG Protocol, and considering direct emissions (scope 1), which include emissions from the stationary and mobile combustion of fuel, and indirect emissions (scope 2), originating from the purchase of electricity and heating to our industrial facilities. Calculating our GHG emissions has allowed us to assess each scope contribution to the overall Industry sector carbon footprint as well as understand where we should focus our attention and implement concrete reduction measures and targets appropriately.

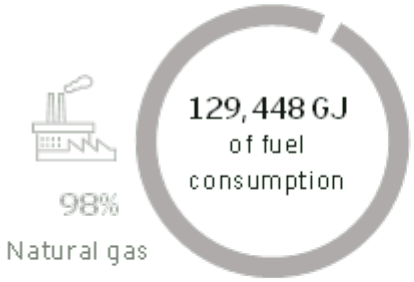
265 | tCO_2eq per M€ generated*

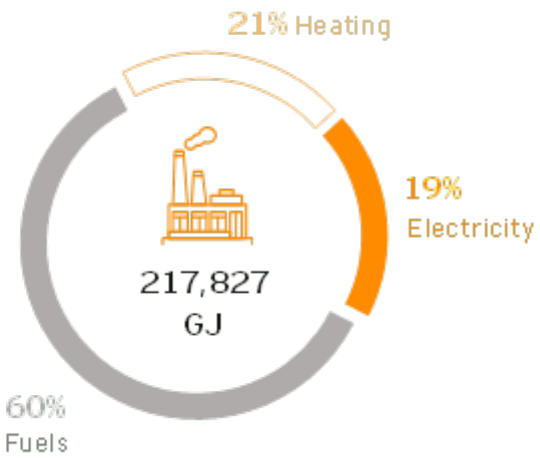


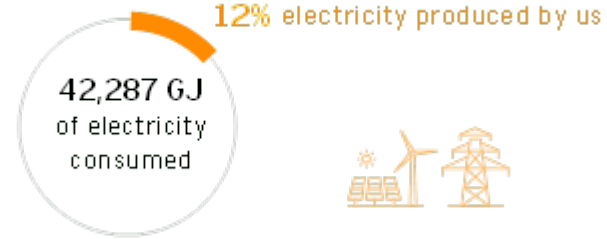
Stationary fuel combustion, necessary in boilers and other equipment present in our industrial units, was the main contributor for our GHG emissions, accounting to 50% of the total emissions. The remaining GHG emissions are indirect emissions (scope 2), with 62% related to electricity consumption used to power our industrial facilities and 38% to the heat consumption, sourced through steam and hot water, used at Endutex – Dyeing.

*Only Scope 1 and Scope 2 emissions considered. Industry turnover in 2022 was used, considering only companies included in the reporting scope.

Determining our industrial carbon footprint (not including scope 3 emissions) has provided us with a deeper understanding of the relevance and impact of our energy consumption. Aware of this link, we regularly monitor our consumption levels to ensure compliance with the environmental management system, identify opportunities to improve efficiency, and implement measures that contribute to reducing consumption.







Most of the electricity we used in our industrial activies is originated from the national grid (88%). The remaining 12% was renewable energy that we produced from our solar panels.

Apart from consuming 92% of the energy we produced, we have also sold and injected the remaining energy

The solar panels installed in our industrial parks represent one source of renewable energy for our Industry and mark an important step towards the energy transition. Our photovoltaic energy production plant was built in alignment with our energy consumption rationalization plan and to reduce our GHG emissions. This plant has a power of 1,425 kW, producing about 1,681 MWh of clean energy per year.

We began our energy consumption reduction process 25 years ago, carrying out energetic audits and energy consumption reduction plans, demonstrating our commitment to improving energy efficiency in our industrial processes. With this goal in mind, we have established a set of action areas for the industry sector, comprising annual energy consumption reduction targets based on energy intensity, carbon intensity, and specific energy consumption**. Additionally, at Endutex – Coated Technical Textiles we are covered by the IPPC (Integrated Pollution Prevention and Control) directive, meaning that all activities that have an environmental impact are identified, controlled, and continuously monitored.

3,587 | GJ consumed per M€ generated*

2.4% | of renewable energy consumed

* Industry turnover in 2022 was used, considering only companies included in the reporting scope.

** Equivalent to the ratio of total energy consumption by a unit of production output, in this case m^2 of textile produced

To achieve our targets, we have taken several actions aligned with the energy consumption reduction plan – our energy conservation measures include the modification of industrial processes and the preventive maintenance of equipment, the purchase of software to optimize consumption monitoring processes, the upgrade and improvement of our facilities, and the investment in the production of solar energy through photovoltaic panels. Furthermore, we have been working on developing new textile solutions.

OUR TARGETS

Energy audits carried out in 2017 and 2019

Energy consumption reduction targets defined, within a period of 6 years

6%	**Energy intensity** reduction	
=%	**Carbon intensity** Maintain the previous values	
8%	**Specific energy consumption*** reduction	

OUR INITIATIVES

In Endutex – Coated Technical Textiles, during 2022 we	Implemented energy conservation measures (reduction and control of air leaks) and the thermal insulation to reduce energy losses
Recorded an energy intensity of 0.173 kgep/€ and a carbon intensity of 2,259.5 kg CO_2 eq/tep	Doubled the power installed in our photovoltaic plant, mitigating the emission of 273 tCO_2eq
Reinforced water-based and PVC-free coating processes, decreasing energy consumption and GHG emissions	Developed the project "Biotex Generation" (highlighted further) to provide textile solutions with a lower carbon footprint

In Endutex - Dyeing, during 2022 we	Implemented energy conservation measures (reduction and control of air leaks), the thermal insulation of pipes and the replacement of energy inefficient equipment
Installed an electronic speed regulator on the exhaustion fan of one equipment, contributing to a minimum 25% energy reduction	Replaced part of the outside lighting with LED to reduce the power required for lighting purposes
Implemented an Energy Management System to better manage energy consumption and costs	Achieved Level 3 OEKO-TEX STeP certification, which includes the adoption of the Impact calculator tool to determine our carbon footprint

* Equivalent to the ratio of total energy consumption by unit of production output, in this case m^2 of textile produced.

We developed the project “Biotex Generation”, with the main goal of developing products with a lower carbon footprint, by using **bio-based** or **bio-attributed solutions** produced using 100% recycled PES yarn fabric (GRS Certified) **and coatings obtained from non-petrochemical/fossil resources** (plant-based biomass such as vegetable oils, wood-based residue from the forestry industry). We aim at providing solutions with lower environmental impact to the markets of Digital Printing, Automobile Textiles, and Protective Clothing, maintaining the desired properties of the product but reducing its associated CO_2 emissions. Five different products in these areas can be highlighted:

- Digital Printing: we launched a new bio-attributed solution for outdoor applications and a bio-based/bio-attributed article for short term applications – BIOTEX FLOOR and BIOTEX 300GW. The first, BIOTEX FLOOR, which is produced using recycled PES yarn and coated with a derivative from wood-based residues, when comparing to the standard version of the product, presents a significant reduction in the GWP, from 4,10 kg CO_2eq/m^2 to 1,45 kg CO_2eq/m^2. The BIOTEX 300GW product, PVC-free, produced using recycled PES yarn and coated with a derivative from vegetable oils or sugars, when compared with the standard version, represents a decrease from 1,00 kg CO_2eq/m^2 to 0,71 kg CO_2eq/m^2.

BIOTEX FLOOR | **-65% CO_2 emissions**

BIOTEX 300GW | **-29% CO_2 emissions**

- Automobile Textiles: we launched a PVC-coated fabric that can be applied to the interior of automobiles, in the seats and/or the door panel – TAIGA 900, which is made with bio-attributed PVC resins made from wood residues and using recycled PES and organic cotton yarns. Comparing with the standard version, this product reduces the associated CO_2 emissions, from 2,44 kg CO_2eq/m^2 to 1,43 kg CO_2eq/m^2.

TAIGA 900 | **-41% CO_2 emissions**

- Protective Clothing: we launched products that incorporate bio-attributed PVC – AQUA 250 PF BIO RCY and RAINBOW 530 PF BIO RCY. The first one represents a decrease from 0,6 kg CO_2eq/m^2 to 0,39 kg CO_2eq/m^2 in CO_2 emissions versus the standard version, while the second allows to reduce the CO_2 emissions from 1,28 kg CO_2eq/m^2 to 0,87 kg CO_2eq/m^2.

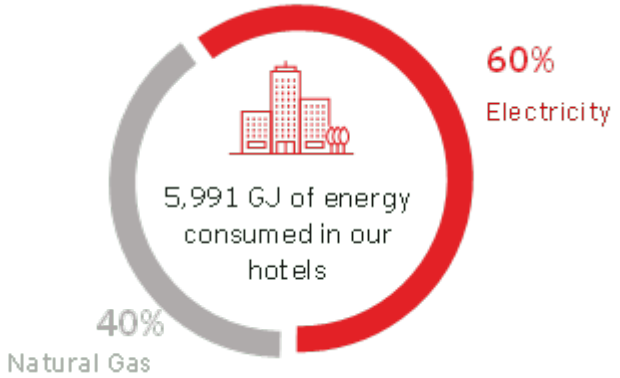
AQUA 250 PF BIO RCY | **-35% CO_2 emissions**

RAINBOW 530 PF BIO RCY | **-32% CO_2 emissions**

Hospitality & Real Estate

We recognise the relevance of energy consumption in the topic of climate change and are seeking for strategies to reduce our impact on this parameter, although we have not calculated the carbon footprint of our Hospitality & Real Estate sector. We look forward to becoming more energy efficient and start a steady transition towards the use of clean energy, and, at the moment, we believe that monitoring energy consumption in our hotels is a step in the right direction.

711.1 | GJ consumed per M€ generated by our hotels*



In the Hospitality sector, investing in mitigation measures, such as implementing good energy management practices and diversifying energy sources, is an effective strategy for reducing the impact of climate change and for identifying opportunities to differentiate ourselves from our competitors.

In our Moov Hotels we			
	Integrate energy management systems that contribute to minimising energy and electricity consumption, while guaranteeing the comfort of our guests.	Implement energy efficiency measures, making the most of the sun exposure of each facade, defining equipment according to the hotel's profile and needs.	Resort to technologic tools and equipment that minimises gas consumption, through more efficient and ecological heating and cooling systems.

* Hospitality turnover in 2022 was used, considering only companies included in the reporting scope.

We have established ambitious goals to obtain the renowned Green Key and Biosphere certificates, which reward touristic establishments, hotels, and organisations for their commitment towards sustainability. At the Moov Hotels, we aim to obtain these certifications as a recognition for our efforts to reduce the environmental impact of our operations, taking an active role in the fight against climate change. Achieving these certifications would be symbolic milestones and a remark on how our vision translates into practical and tangible sustainability initiatives.

Reducing GHG emissions and adapting to climate change is becoming a concern not only in the operation of our Moov hotels, but in all our activities, from planning to project execution We recognise that it is in the design and development of Real Estate projects that we can make the greatest contribution to reducing energy consumption and GHG emissions. We are therefore committed to creating buildings that are both more energy efficient and better adapted to the effects of climate change. We recognise the journey of mitigating and adapting to climate change requires continuous learning and rethinking the way we do our projects, together with our stakeholders. Having designed our facilities, we also operate them, so our experience over the years has enabled us to identify improvements and make more considered decisions whenever a new unit is created. More recently, we have placed greater emphasis on the future energy performance of the building. Over the years, we have also noticed a growing concern among architects and designers to develop and present innovative solutions capable of tackling the issue of climate change and reducing GHG emissions.



- Investment in high-quality frames, increasing acoustic and thermal insulation, while decreasing the need for room climatization
- Installation of solar panels
- Consider the building's layout to take advantage of the sunlight
- Investment in materials and equipment with positive thermal results
- Installation of low consumption lighting alternatives

By including these criteria in our projects, we also guarantee that our buildings are better prepared to endure the effects of climate change. This is why we focus on evaluating our past projects and experiences, which provide an opportunity to develop valuable input and new solutions that contribute to designing more energy efficient buildings.

Despite not having carried out the calculation of our carbon footprint, we are aware of our impact on this topic through the consumption of electricity in our buildings, mainly in our properties' common areas. Although its reduced expression when compared with our remaining sectors of activity, energy consumption is also monitored in the Real Estate Sector. To reduce our energy consumption, we are assessing the implementation of software and hardware solutions based on IoT and AI to determine opportunities to increase energy efficiency. We are also looking into the possibility of placing environmental awareness signs to raise awareness among our clients.

0.9 thousand GJ of energy consumed at the Oeiras Tower*



Moov Hotel Lisboa Oriente

At Real Estate, our commitment and knowledge in the field of energy rationalization increases from project to project, and it's in our Moov Hotel Lisboa Oriente, currently under construction and to be inaugurated in 2023, where this evolution is most clear.

We made decisions to increase our energy efficiency, based on previous hotels, which influenced the layout of the building, to promote natural lighting, and the alternatives selected for climatization. We invested in more efficient equipment, low-consumption lighting (LED lights) and installed movement sensors in key locations inside the building. Many of our equipment and lighting circuits are connected to a centralized technical management, which allows to select specific times of operation, optimizing energy consumption depending on the building's requirements, the hotel occupation, and the time of the year. In this new hotel we also installed solar panels to integrate clean energy in the hotel's consumption habits.

* This includes the consumption of one Real Estate unit – Oeiras Tower.

4.1.2 Circular economy

3-3 | 301-1 | 301-2 | 306-2 | 306-3 | 306-4 | 306-5

We recognise the essential role that raw materials and natural resources play throughout our activities, particularly in the Industry sector. The dependence over certain resources can translate into both internal risks for our Group's longevity and adverse environmental effects. Promoting resource conservation and circularity is fundamental to guarantee our resilience and reduce the impact of our activities. In this sense, our Group attributes great importance to the responsible management of resources, promoting the efficient use of raw materials and the reduction, reuse and recycling of waste wherever possible, in accordance with the 5 R's of waste management.

2.8% | of renewable materials used*

1.6% | of recycled materials used*

24.5% | of waste diverted from disposal*

* Only includes information regarding our Industry sector.



Industry



Given the sector's dependence on the consumption of raw materials, the promotion of reuse and circularity of materials to ensure greater efficiency in the use of materials and the reduction of waste generated are essential factors in reducing the respective environmental impacts.



Hospitality & Real Estate



In its operation, hotels tend to substantially generate waste, hence promoting a circular model and reducing waste can lead to environmental, social, financial, and reputational benefits. This topic is also relevant to construction projects, where the circularity and longevity of materials must be considered in the design of the buildings themselves.

Industry

At Industry, considering our need for raw materials and natural resources, we have established a policy based on three principles, namely consumption optimisation, waste minimisation, and circularity promotion.

Consumption optimisation

Through the continuous optimisation of the production process and by adopting new technologies, we aim to reduce resource consumption and consequently reduce the waste generated

Waste minimisation

We seek to reuse the waste generated in different steps of our production process. When that is not possible, we establish partnerships with waste recycling companies, that sell it to other companies, where our waste is used as new raw material. Any other waste that cannot be treated in any of these alternatives is disposed

Circularity promotion

In our sustainability journey, we are aware that the current economy model - extraction, production, followed by discard - must give place to a renewed circular model, based on the reuse, recovery, regeneration, and recycling of materials and final products, widening their life cycle

During 2022, approximately 74% of the total material consumption were chemical products used for industrial purposes, almost four times more than the amount of yarn consumed, equivalent to 19%. This reliance on chemical products is particularly noticeable at Endutex – Coated Technical Textiles, which accounted for 83% of the total chemical consumption during 2022. This observation is strictly related to the nature of our textile products, which require coating and finishing steps dependent of heavy chemical use. At Endutex – Coated Technical Textiles, we aim to minimize the use of raw materials in our products by implementing different techniques, namely automatic mixing, weighing systems and colour control technologies. Additionally, we are currently studying and evaluating the use of alternative raw materials on the SVCH (Substance of Very High Concern) list, namely alternatives to ADCA (Azodicarbonamide).



One of our goals is to increase the use of materials with lower environmental impact in our production process, by selecting recycled and renewable alternatives. With 1,6% of recycled materials used in 2022, we aim to gradually increase the percentages of renewable and recycled materials – a challenge given our dependence on chemical products. During this year we also continued the regeneration of chemical organic solvents, and their reintroduction in the cleaning process, an initiative that prevented the consumption of 76 tons of virgin raw materials.

During 2022, we	Implemented a model to reuse contaminated pads (cleaning cloths), which allowed us to reduce the amount of hazardous waste destined for disposal.	Increased the use of recycled yarn by 72%, compared to 2021.	Increased the use of water-based chemical products by 45%, compared to 2021.	Increased the purchase of bio-attributed chemical products, compared to 2021.
	Purchased GaBi software to perform life cycle assessments to our products and establish measures to reduce their respective impacts.	Produced more than 1,700,000 m^2 of PVC-free articles (either 100% textile or with water-based coatings).	Developed the "Biotex Generation" project, (previously described), through which more sustainable products were developed using recycled/natural fibers, more sustainable coatings, and bio-based raw materials.	100% recycled articles availability in our product line, with packaging materials utilizing recycled cardboard and recycled plastic films.

We also recognise that how we manage waste is closely linked to our contribution to circular economy. In the Industry sector, waste generation is a matter of concern to us, due to its' potential impact on the local ecosystems and communities, namely when considering the management of hazardous industrial waste. For this reason, all the generated waste is identified, divided by type and danger, temporarily stored, and then directed to the respective licensed waste operator. We perform the monitorisation of waste-related data by weighing them on a scale and utilizing waste tracking guides, which aid us in this monitorisation. Additionally, we have indicators that allow us to monitor the waste management activity. In 2022, the majority of the waste generated was non-hazardous (1,285 tons). We managed to divert almost 25% of the total waste from disposal by reusing, recycling, and other recovery operations.

0 tons of hazardous waste landfilled

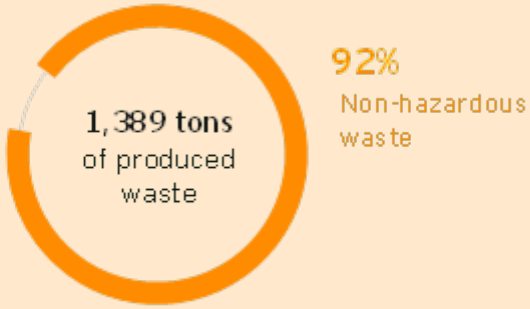
20% | of non-hazardous waste diverted from disposal

86% | of hazardous waste diverted from disposal

It is important to note that some of our end products are composite materials, which makes conventional recycling more complex due to the thermal incompatibility of the polymers that make them up. Bare in mind this, and to evaluate other waste recovery options, we have carried out some studies into the incineration potential of some of our ranges. We continue to focus on finding markets that can reuse some of our waste in their processes and are investigating the possibility of classifying it as a sub-product.

From waste to energy

In 2022, in collaboration with the CVR the report "*Evaluation of the Energy Valorisation Potential of Waste*" was written, in which the products considered for the study were considered of high quality (low contaminant content and high heating power), presenting themselves as a great option for incineration with energy recovery.



To promote the reuse of our waste and its valorisation, as well as, to mitigate the impacts associated to its management, we implemented several measures:

Purchase of a compactor to increase the amount of waste transported per load, thereby reducing the impact of waste transport	Recirculation of contaminated absorbents	Reinforcement of identified disposal points in production areas to increase the proportion of recovered waste and promote employee awareness	Increased use of recycled textiles

Hospitality & Real Estate

In Hospitality & Real Estate, the consumption of materials is less expressive than in our Industry sector. However, we still believe that there are undoubted benefits to promoting circularity in our business practices and our Group is committed to integrating this aspect into our Hospitality & Real Estate activities, from the construction of hotels to their operation.



Reduce the use of disposable packages, promoting reusable and recyclable material

Promote the correct separation of recyclable waste and encourage product reuse

Place purified water machines in every hotel, preventing the use of disposable water

We have adopted some key measures related to the circular economy, mainly related to the promotion of recycled materials, the consideration of product labels and certifications such as Ecolabel, the selection of products that contain biodegradable, recyclable, or low environmental impact, and the focus on code locks instead of magnetic cards, which in addition to being more convenient for guests, allows us to reduce plastic consumption. At Moov Hotels, given our position in the budget hotel market, we offer few food services, thus, our impact on food consumption and waste is reduced, a topic typically significant in the Hospitality industry.

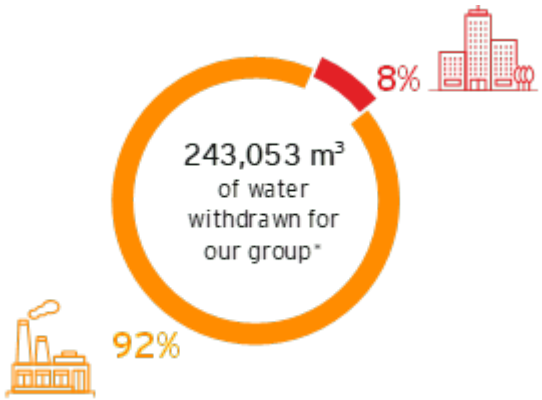
We believe that it is vital to involve our guests in this journey, so we strive to inform them of our good practices by displaying information in the rooms or common areas of the hotels to encourage their active participation.

Our approach to circularity goes beyond building and operating our hotels. It's an ongoing commitment to integrate sustainability into every aspect of our business. This approach reflects our dedication to both providing a quality experience for our guests and protecting the environment for future generations. In the construction phase, we can actively influence our stakeholders to adopt better practices, which can improve resource efficiency and extend the life of our infrastructure. That is why, in the Real Estate sector we aim to integrate circularity into the development of our projects, by promoting the incorporation of recycled materials in our buildings, therefore reducing their environmental impact. In our projects, in collaboration with our partners - designers, architects and planners - but also with construction companies (who are responsible for managing the materials and waste generated by this activity), we seek to increase the implementation of best practices, which is reflected in a more careful selection of materials, considering not only aesthetic and practical criteria, but also their environmental impact.

4.1.3 Water

3-3 | 303-1 | 303-2 | 303-3 | 303-4 | 303-5

Our Group's activities, particularly in industry, depend on water availability in large quantities, an increasingly scarce resource. We therefore recognise that how we manage water significantly impacts ecosystems, particularly in terms of its availability and quality, and have potential negative economic and social consequences for local communities. Responsible management of water resources is important for the efficiency of our operations and the resilience of our value chain.



* This includes the consumption of our entire Industry, all our Moov Hotels (Hospitality), and one Real Estate unit – Oeiras Tower.
** To identify areas of water stress, we have considered areas with a high level of water stress or above, according to the Aqueduct Water Risk Atlas.

Industry

As the textile industry is one of the largest consumers of water, responsible management of this resource is essential to minimise the environmental and social impact of excessive consumption and to ensure the continuity of operations.

Hospitality & Real Estate

Water management is an important topic for the sector as it attracts large numbers of people and requires the availability of significant amounts of water, which can affect surrounding communities and ecosystems.

Industry

Our industrial activities, including key processes such as washing, dyeing and other finishing operations, require large quantities of water. Hence efficient management of this resource is vital to minimise the environmental and social impacts associated with water stress but also our dependency on this resource.

Activities carried out at Endutex – Coated Technical Textiles are not significantly water-intensive, as most of the water is reused for industrial cooling, in a closed cycle that allows its consumption to be optimised. Nonetheless, at Endutex - Dyeing, significant amounts of water are necessary in the bleaching, dyeing, and other chemical finishing processes, resulting in the production of a large amount of wastewater.

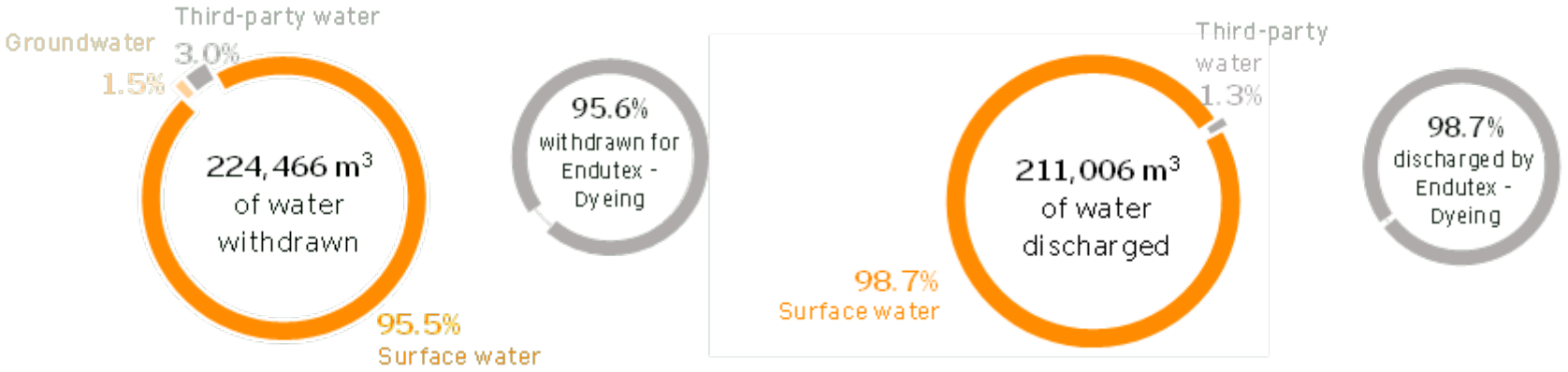
Most of the water we use comes from our withdrawal areas (surface and underground), with the remainder coming from the public network. In terms of water discharge, Endutex - Dyeing, due to the large volumes it produces, treats its wastewater in our wastewater treatment plant (WWTP), while Endutex – Coated Technical Textiles, which has a smaller production, discharges its wastewater into the collector of the integrated de-pollution system of Vale do Ave (SIDVA) managed by Tratave - Wastewater Treatment of Ave, S.A. Subsequently, these effluents are directed to the public WWTP for further treatment.



In 2022, we have implemented a water recovery project, where part of the water is collected after treatment in the on-site WWTP and reintroduced into the production process, and the optimisation of water consumption, namely by reducing the number of washes, by using products that require less water or by optimising the load capacity of machines. We have also been developing initiatives with local water management companies to improve our consumption habits and decrease our impact in the local community.

Besides being compliant with the water withdrawal and discharge requirements set by the Portuguese Environment Agency, we are focused on decreasing our consumption habits and, consequently the amount of wastewater generated. This fact is even more relevant when we consider that the vast majority of the water we withdraw comes from water-stressed areas, which reinforces our goal of using this resource efficiently and reducing water scarcity in these places. It is clear to us that reducing the water footprint of our industrial processes and ensuring the correct management of industrial wastewater are necessary to address this sensitive issue.

99% | water withdrawn from water stress areas*



In 2023, we plan to implement additional water recovery initiatives, recirculating treated wastewater generated at Endutex – Dyeing, during the washing process, which contains a low organic matter content, low turbidity, low salinity, little or no colour, back into the industrial process, as well as, the purchase of more efficient washing jets, allowing the reduction in water consumption during production.

* To identify areas of water stress, we only considered areas with a high level of water stress or above, according to the Aqueduct Water Risk Atlas

Hospitality & Real Estate

At Hospitality & Real Estate, we are committed to protecting the environment, which includes integrating responsible management of water resources into every aspect of our operations, from the design of our hotels to their construction and operation. For this reason, we take a meticulous approach to the design and construction of our hotels, with one of our main concerns being water consumption reduction.

In each of our Moov Hotels, we monitor water consumption., we have been implementing devices and technologies to promote the reduction of water consumption, such as low-flow systems in faucets, showers, and toilets, allowing for an efficient use of water without compromising guests experience. On the other hand, aiming at raising guests' awareness and involvement in sustainable practices during their stay, one of our main efforts is the promotion of towel reuse. By promoting the reuse of towels, we reduce water used for their washes, which would rather occur daily.

18| thousand m^3 of water withdrawn for our hotels

0.5| thousand m^3 of water withdrawn for the Oeiras Tower

In Real Estate, we recognise that our contribution to reducing water-related impacts is more effective during the project development. By idealising and designing buildings with better water performance, we are helping to reduce these impacts throughout the value chain. With this in mind, we want all our bathrooms in new hotel units to be equipped with water-efficient devices such as low-flush toilets, dual-flush toilets, smart showers, taps and low-flow showers. In the future, we also intend to implement solutions that allow rainwater to be collected and used to flush sanitary facilities. In our Real Estate proprieties, namely in the Oeiras Tower we are only responsible for water consumption in common areas, which is not significant.



Moov Hotel Oeiras

Our most recent hotel, Moov Hotel Oeiras, which opened in November 2020, is an example of responsible water management. This building, designed by our Real Estate services, incorporates several measures that contribute for the reduction of water consumption, including the installment of more water efficient showers and faucets, toilets with low water-volume and double flush option. These measures enable us to manage water responsibly throughout our customers' stay.

4.2 For our people and communities

4.2.1 Attracting and retaining talent

3-3 | 401-1 | 401-2 | 404-1 | 405-1 | 405-2

Attracting and retaining talent is critical to ensure the resilience of our business. This is why one of our commitments is to prioritise career development, work-life balance, and internal recruitment. This reflects not only the value we place on our people, but also our strategy to maintain a healthy, inclusive, diverse, and attractive working environment for all, which is fundamental to increasing the motivation and performance of our employees.

455 | employees

76% | permanent employees



Industry

The need for an experienced workforce makes it essential that the industry is able to attract and retain talent to ensure operational stability. Retraining, upskilling, and career development are also important to retain talent.

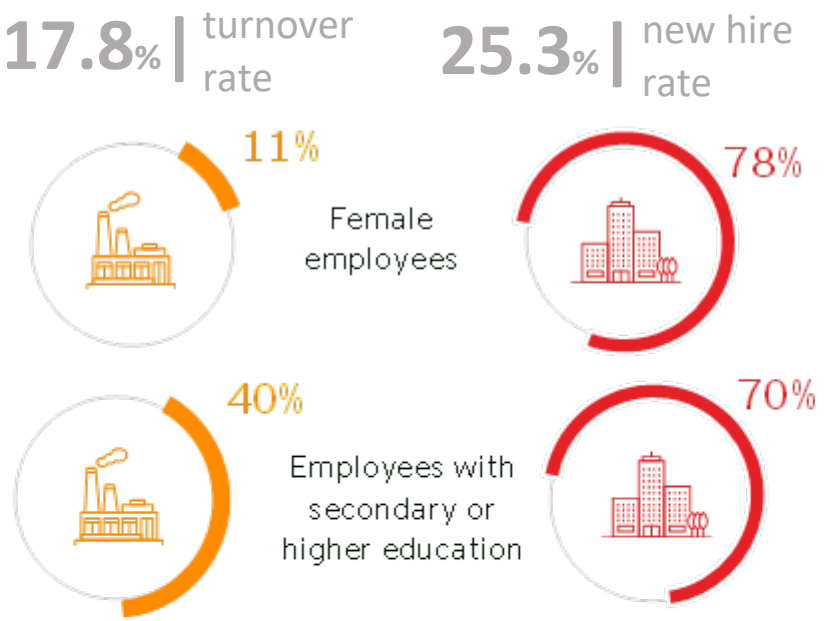
Hospitality & Real Estate

As it is common for there to be high staff turnover, attracting and retaining talent is essential to promoting business resilience in this sector.

Our employees are critical to our businesses' growth and achieving our quality standards due to their knowledge and expertise. One of our top priorities in all areas is to develop strategies to retain and attract the skilled talent needed to meet the challenges ahead.

Looking at gender diversity in our Group, there is a marked contrast between our sectors, which is due to the nature of the underlying activities. Industrial activities are mostly associated with heavy manual labour, typically performed by men, resulting in a much lower representation of female employees compared to our Hospitality & Real Estate activities, administrative and public service in nature.

Regarding the educational qualifications of our employees, the difference between the two sectors is mainly related to the respective areas of recruitment and activity. Industry is located out of urban areas, where the population is older and tends to have a lower level of education. The Hospitality & Real Estate sector is not only located in urban areas, but also has employees with a professional hotel course, which is equivalent to a secondary school education.





Our corporate events

Our Group recognises the importance of corporate events as we believe they are an excellent channel for communication and interaction with our employees.

During the Christmas season, we celebrated the occasion with a Christmas dinner, bringing together more than 400 employees each year. We believe that this type of event fosters more informal relationships between employees.

In 2022, we also celebrated our 50th anniversary as a company (although the 50th anniversary was in 2020, it was not celebrated until 2022 due to COVID-19 restrictions - a major milestone and a source of pride in our history.

Industry

We hired 55 new employees for industrial functions in 2022, most of whom were under 30s. During the same period, we recorded 37 departures. The most common reason was voluntary departure, accounting for 75% of the cases, while only two departures were due to redundancy. These figures represent a recruitment rate of 15.4% and a turnover rate of 10.4%.

We offer year-long on-the-job training to support our employees' personal and professional development, and training for new employees. This is a critical factor in enhancing employees' skills, enriching their knowledge, and ultimately improving their work performance. In addition, these practices support employee development and help us attract and retain talented individuals.

357 | employees

55 | new hires

 4 %

 96 %

119.1 | hours of training per employee

290 | hours of training in sustainability and ESG

Our industrial employees received training in different courses, focused mainly on health, safety and environment including training on environmental protection topics. Training can be internal, including on-the-job and other work-related training, or external for specific professional qualifications.

We are committed to providing opportunities for career development, with an emphasis on internal selection as a key element of new career prospects within the organisation. Recognising internal talent promotes staff motivation and loyalty, while maintaining a dynamic and stimulating working environment.

In addition, we have implemented several measures to improve the working conditions and well-being of our employees, which help to attract and retain talented people in our industrial businesses. These measures include the provision of monthly bonuses, the payment of overtime beyond statutory requirements, the provision of gifts and bonuses to employees and their families, the provision of personal accident insurance and the establishment of partnerships with selected service companies to provide discounts to employees. In the coming years, we aim to invest in the development of dining areas that promote a sense of belonging and conviviality.

Hospitality & Real Estate

In a sector as competitive as Hospitality, attracting and retaining talent is critical to business resilience. Due to the close interaction between employees and guests, the quality of the service is essential and heavily dependent on the motivation and commitment of our people. The high staff turnover in this sector, reinforces the importance of implementing talent retention measures, fostering the creation of a cohesive team and minimizing extra efforts required to train and integrate new employees. For us, investing in the wellbeing and development of our employees is not only a priority, but also a requirement to keep enhancing our service and our guests' experience.

In 2022, the sector experienced 44 departures, more than in Industry, resulting in a high turnover rate of 46.8%. These figures confirm our ongoing barriers in the sector, and the reasons for leaving are similar to those in the industry, with 70% of employees leaving voluntarily. Even so, we reduced the impact of this high turnover rate by recruiting 60 new employees, resulting in a new hire rate of 63.8%.

95 | employees

60 | New hires

88 % 12 %

We recognise the importance of transparent and effective communication with our employees to maintain a cohesive and productive working environment. To ensure that we meet the needs and expectations of our employees, we have a strategy based on regular meetings with team leaders and employees in general.

These meetings are crucial for identifying challenges, devising solutions, and fostering a cooperative high-performance professional atmosphere. As a result, we have seen a significant improvement in internal communication, an increase in motivation and an alignment of our employees with our values and goals. By fostering closeness within our workforce, we have seen an increase in collective and individual performance, which is reflected in the quality of service we provide to our guests.

Communication with our **employees**

Weekly meetings with team leaders are the cornerstone of our communication strategy, providing a space for open dialogue, sharing important information, aligning objectives, clarifying doubts, and gathering feedback from employees. Direct interaction fosters a relationship of closeness and trust, which is essential for smooth operations.

Monthly meetings gathering all teams, allowing each employee to feel relevant in the organisation. The main purpose of these meetings is to share information about the company's performance, share successes and challenges, and encourage collaboration between departments.

42.0 | hours of training per employee

We seek to have an inclusive and stimulating work environment. We are developing training and capacity building programmes to offer ongoing professional development opportunities. Employees will have access to resources that assist them in expanding their skills and knowledge through initiatives, workshops, and specialised courses. In Hospitality & Real Estate, we offer training for our staff in both sectors. The hotel employee training is primarily focused on adapting to their new roles, including ensuring health and safety compliance.

We are attentive to the individual concerns and needs of our employees, to ensure that each one feels valued and supported. For this reason, recognizing the differences in living costs between each of the geographical regions we operate, we implemented a salary distinction for our employees working in our hotel in Oeiras, which aligns betters with the financial requirements of the region. Besides salary differentiation, we also recognize our employees' outstanding effort and service through monthly awards, highlighting and rewarding our commitment, dedication, and exceptional service.

Although, we have a small workforce in Real Estate compared to other industries (only four employees), we acknowledge the importance of attracting and retaining talented individuals for the company's long-term success. Skilled employees enable us to enhance operational efficiency, innovate in asset management and develop positive relationships that adapt to market changes and contribute to our growth.

4.2.2 Health and safety

3-3 | 403-1 | 403-2 | 403-4 | 403-5 | 403-8 | 403-9 | 403-10

At Endutex, we recognise that our employee's safety and well-being is a fundamental right, and we work to reduce the risks associated with our activities. We are committed to preventing risks to physical and mental health and promoting the well-being, health, and safety of our employees, particularly in industry where the nature of the work leads to increasing exposure to accidents.

100% | employees covered by health and safety management system

0 | high-consequence injuries or fatalities



Industry



Effective health and safety measures ensuring employee well-being and integrity help reduce absenteeism and mitigate the negative impact on the reputation and business of companies in the sector.



Hospitality & Real Estate



Although the Hospitality & Real Estate sectors are significantly exposed to Health and safety risks, creating a safe and healthy working environment is also important in these sectors, leading to productivity increase and employee well-being promotion.

Industry

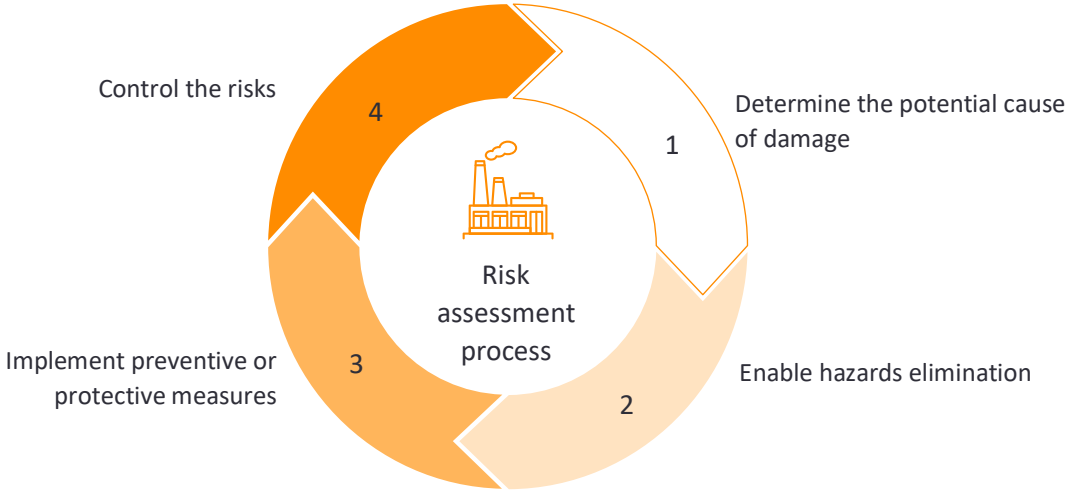
In the Industry sector, prioritising occupational health and safety is essential. We have adopted an approach focused on preventing potential hazards rather than dealing with them after they have occurred, while adhering to general principles of prevention. Our commitments to health and safety are reflected in our policies and good practices that we instil in our employees.

Our commitments			
	Comply with the principles and fundamental rights at work of the International Labour Organisation. 1	Comply with all applicable laws and other requirements. 2	Provide safe and healthy working conditions for the prevention of injuries and health conditions. 3
Assess and control risks related to the safety and health of employees, to prevent work accidents and occupational diseases. 4	Approach our suppliers to seek the best solutions from the point of view of safety and health at work. 5	To make a rational use of chemical products and to reduce or, whenever possible, eliminate the impacts arising from their use on the safety and health of our employees. 6	Engage employees through their continuous participation, training, and awareness. 7

Both Endutex – Coated Technical Textiles and Endutex - Dyeing have a department responsible for managing health, safety, and environmental issues. While in Endutex – Coated Technical Textiles the Health & Safety and Environment (HSE) department is staffed by two technicians who handle safety and security, at Endutex – Dyeing, the Quality, Environment, Health and Safety (QEHS) department is overseen by a senior internal occupational safety technician and an external consulting team. Together, they ensure that all legal obligations related to health, safety, and environmental concerns are met.

We maintain an occupational health and safety management system that is regularly audited based on specialised international standards and norms, as well as occupational health and safety benchmarks with requirements defined by the clients themselves. At Endutex – Coated Technical Textiles, to ensure that our system is up to standard, we are regularly audited by the SMETA standard, which has health and safety as one of its main pillars. Similarly, at the end of last year, Endutex - Dyeing was certified by the STeP by OKEO-TEX standard, which involves a comprehensive analysis and assessment of working conditions, including health protection and safety at work. Additionally, to offer occupational health services and ensure the medical surveillance of our staff, a doctor visits our facilities twice a week.

Risk assessment, serving as the basis for creating prevention programmes, enables us to identify and evaluate risks, essential to defining criteria for prioritising necessary actions, implementing preventive and corrective measures, checking the effectiveness of existing measures, identifying workers' training needs. We investigate all incidents to identify their causes and define actions that are then evaluated for their effectiveness in preventing recurrence.



Our employees are integral when assessing risk in our workplaces, namely in industrial facilities. They report risk situations and communicate with managers, either through surveys or direct consultation with responsible departments. Their input provides valuable information which, after further analysis, is translated into the implementation of improvement measures. The safety of our employees is a top priority for our organisation. Therefore, any employee reporting risk situations is protected against retaliation. This safeguard is clearly articulated in our code of ethics and conduct.

100.5 | hours of training in health and safety per employee*

Annually, we map training needs in health and safety matters and create a plan. As the year progresses, additional needs may arise and be integrated into the plan. We also provide training for new employees, which includes information on safety procedures related to their duties, on-the-job training, as well as specific training addressing applicable risks. In 2022, we raised awareness among workers about the risks associated with their job and conducted a hundred training sessions related to workplace safety and health.

During 2022, all the recorded work-related injuries were minor and of low consequence, mainly caused by accidents such as entrapment, falling at ground level, hand injuries, and collisions with objects. Additionally, no incidents of work-related ill health were reported.

39 | Work-related injuries

62.3 | Rate of work-related injuries**

The results achieved, presenting no serious or high-consequence accidents in 2022, and compliance with our health and safety policy are mainly due to:

Consultation with workers	Health surveillance	Risk assessment and control	Training and awareness	Incident investigation
We can obtain data and suggestions that allow us to implement improvement actions	We have an on-the-job doctor who regularly comes to our facilities to ensure the medical surveillance of employees	Fundamental activity to ensure the adequacy of the defined preventive measures	We provide training to welcome new employees, as well as On-Job training and specific training depending on the risks associated with the functions and constant awareness	To identify the cause of all incidents and allow the definition of actions to prevent the occurrence of identical situations

* All training programs that contain health and safety contents were considered.
** A basis of 1,000,000 hours worked was considered.

Hospitality & Real Estate

We are committed to ensuring the safety and health of our employees, strictly complying with legal measures relating to the topic, in the Hospitality & Real Estate sector. We understand the importance of providing a safe and healthy working environment, which, not only benefits our employees, but also reflects our social responsibility and commitment to excellence, in all aspects of our operations. For this reason, in Hospitality we work closely with specialist companies to conduct comprehensive assessments of potential risks and incidents related to health and safety in the workplace, which are crucial for recognising areas of improvement and taking necessary precautions to mitigate any potential risks.

4 | Work-related injuries

23.1 | Rate of work-related injuries*

Bare in mind this, and in accordance with current legislation, all our hotel employees undergo regular standard medical examinations. These examinations are carried out to ensure the health of our employees and their ability to perform their job responsibilities, and to help prevent potential health hazards associated with the position. Additionally, we allocate resources and effort towards creating a secure work environment through the implementation of prevention, training, and supervision measures.

For Real Estate projects, we oversee the entire process, which allows us to closely monitor construction activities and identify challenges that can serve as valuable learning experiences for future projects. Together with the contracted inspection company, we monitor the project's progress and ensure that work is executed accurately. On-site supervision plays a crucial part, and the safety coordination team's visits help us confirm if safety plans are followed, ensuring secure working conditions for workers of any function. This type of action, in addition to giving us information about situations that we should be alerted to, helps us understand the care that each construction company takes with its team.

In 2022, none of the recorded work-related injuries in the Hospitality & Real Estate sector were high consequence, with a few unserious injuries caused by entrapment, falling at ground level and collisions with objects. In this year, there were no detected incidents of work-related ill health.

* A basis of 1,000,000 hours worked was considered.

4.2.3 Product quality and safety

3-3 | 416-2

Promoting quality and safety is an objective in all our businesses, as customers expect products and services to perform satisfactorily and not present any risks to them. It is, therefore, essential to the sustainability and resilience of our business.

0 | Incidents of non-compliance with regulations and voluntary codes concerning health & safety impacts of our products and services



Industry

Given the potential risks to consumers and the impact on companies' reputations and business, product quality and safety is an important topic for the industry.



Hospitality & Real Estate

In this sector, it is important to prioritize the comfort and safety of users of different facilities, ensuring their satisfaction and confidence.

Industry

In an increasingly competitive and demanding marketplace, protecting the integrity and well-being of our customers, ensuring that products meet quality standards and do not pose a risk to their health and safety, is essential to the resilience of our business. We recognise that this approach strengthens customer confidence in the industry and safeguards our reputation. In the Industry sector, we have established a business strategy that prioritises the promotion of product quality and safety. This is supported by our management systems, which include the monitorisation of several KPIs and the thoughtful selection of chemical products, based on regulatory and client requirements, and by our industry certifications, in particular ISO, Oeko-Tex and also IATF, which is being implemented since 2022.

Our products undergo a comprehensive risk assessment, with each industrial unit focusing on different product quality and safety's aspects. At Endutex – Coated Technical Textiles, all processes are designed through a risk analysis using FMEA tools, helping us analysing the process systematically and proactively. Thus, we can identify the points at which the process can fail or where damage can occur, allowing us to improve the effectiveness and efficiency of our processes and ensure our products meet the required quality standards. At Endutex – Dyeing, to ensure employee and consumer health and safety, a risk assessment is carried out for each chemical used.

PSCR

Product Safety &
Conformity Representative

First, we guarantee the safety of our customers

We are concentrating our efforts on the implementation of the IAFT 16949 standard, which is very important for the automotive sector and which, in addition to guaranteeing us a greater share of the automotive sector and promoting our image, which are important from a strategic point of view, will allow us to work with greater confidence in other markets.

At Endutex – Coated Technical Textiles, we have appointed a PSCR, Product Safety & Conformity Representative, who has been specifically trained to perform this function that is so crucial in the defence of the "customer" within the company.

Endutex – Coated Technical Textiles and Endutex – Dyeing are certified to various standards, including NP EN ISO 9001, Oeko-Tex Standard 100, GOTS, GRS, OCS and RCS which guarantee that we meet all quality and safety standards in relation to the end user. In 2022, Endutex Dyeing achieved the highest level of STeP by Oeko-Tex certification and will soon be certified by Worldy's FSLM.

Additionally, we have a chemical product selection policy that considers customer requirements, regulatory requirements, such as REACH, ZDHC/MRSL, and certification standards for the industry units. To guarantee the protection and wellbeing of our customers, we carry out tests in both our internal and external laboratories to ensure the safety of our products for consumers. Besides our annual internal audits of our management system, processes, and products, and external audits, we also conduct customer satisfaction surveys and involve employees in the strict management of all non-conformities and complaints. This minimises any impact on customer satisfaction.

Our management systems have enabled us to establish KPIs facilitating the detection and prevention of non-compliance as well as the identification of improvement areas. These KPIs are regularly assessed, ensuring a consistent examination of our management policies. Finally, we prepare a management review report covering all product and process issues. The report is presented at a management meeting in the presence of the administration and all departments envolved in the different process of the plant. At this meeting, we evaluate the results achieved, redefine the objectives and proposals for improvement, and create new policies and commitments for the coming year, that are the mainly impact for the new strategic plan.



Hospitality & Real Estate

In this sector, we are also committed to maintaining the well-being of our customers while they are enjoying the facilities we provide, from our hotels and offices to other Real Estate assets. Ensuring their satisfaction and building trust is vital for our long-term value creation and business resilience.

At Moov Hotels, customer experience is central to our service philosophy. We recognize guests' satisfaction is the setting stone for the success of our business, and, for this reason, we continuously strive in understanding, evaluating, and enhancing each aspect of their safety. Knowing that opinions and feedback are essential for the continuous improvement of our service, we provide several communication channels to our customers, such as our social networks, our mobile application, our official website, and others. All our Moov Hotels have the same attitude regarding offering our guests a quality service - proof of this relies on the awards and nominations we have received, including the Travellers' Choice Award.

Direct and continuous feedback

Through satisfaction surveys, online communication channels and personal interactions, we actively encourage our clients to share their experience, which provides valuable insights about what we should maintain and can improve in our service.

Adaptation to individual preferences

We recognize that every client is unique, and we strive to adapt our services to attend their specific needs, from dietary choices to room preferences.

Investment in technology and innovation

Technology plays an important role in improving customer experience. Innovative solutions such as simplified reservations, online check-in, and automated room systems, contribute for a convenient and efficient stay to our guests.

Team training and involvement

We invest in the continuous training of our team, so they are prepared to deal with diverse situations and provide a cordial and considerate service. We promote an internal culture that values customer service, encouraging our employees to seek for excellence.

Actions from feedback

Through feedback, we implement concrete measures to improve our amenities, review our operational processes, and enhance our services.

We are committed to transform client suggestions into tangible actions that improve their experience.

Customer safety is also a top priority for our Real Estate management services. As we are involved in the development projects from the beginning, from selecting the site, planning the project with the architectural firm to construction and operation, we obtain a variety of inputs throughout this process, especially from our customers. Therefore, in Real Estate, we are aware that we must constantly listen to feedback from our clients and partners to understand whether the needs of each individual are being met, whether the image and comfort of the property are up to date and how we can keep modernising and challenging ourselves with a product that offers a good experience for everyone.



Common areas in our Hospitality & Real Estate facilities

In our Real Estate projects, incorporating feedback from our clients and partners into subsequent projects is a constant concern. We know that by implementing these measures, we can provide a better service to our clients and meet their expectations.

An example of this is the communal area of our Oeiras Tower, which has been designed after we received the feedback of our clients, addressing their needs and preferences. This area offers the possibility of having meals inside the building and provides a comfortable area for lounging or informal meetings. We are also considering the installation of a gym in the same building.

In the future, we will inaugurate our Moov Hotel Oriente, where the common areas will also show the integration of our customers' needs, such as the existence of open spaces and facilities for domestic needs (laundry and food preparation)

4.2.4 Affected communities

3-3 |

We have yet to develop a formal assessment of this issue. Even so, having recognized the importance of affected communities in integrating sustainability into our business and adding value to the communities, we intend to establish a Group approach to this topic. These envisioning mechanisms enable us to understand the nature and extent of our impacts on communities and to respond to their needs in an objective and ongoing manner.

In the meantime, however, we have taken a few steps to create value in the local community indirectly. We prioritise the local community where we operate, and many of our employees have been recruited locally. Currently, 74% of our local employees are recruited from industry and 89% from Hospitality & Real Estate.

In Real Estate projects, we have been confronted with sensitive situations where people experiencing homelessness were living in empty buildings on the land to be developed. In these situations, we seek to manage the issue carefully to avoid causing further damage to the parties involved.

Additionally, given the nature of the service provided in this sector, our Moov Hotels also made an important contribution to the needs of the community during the COVID-19 pandemic. During this period, when the priority was controlling the progression of the contamination and to provide faster and closer assistance to the population, we provided free accommodation for doctors and nurses who were mobilised to areas far from their homes.



Industry



The potential environmental and social impacts associated with industrial activity lead the sector to assess the extent of its impact on society and to join forces to minimise them.



Hospitality & Real Estate



This sector is associated with the concentration of people, which can have a significant impact on communities sharing the same space and resources.

4.3 In our Governance

4.3.1 Ethics, Integrity, and Compliance

3-3 | 2-23 | 205-1 | 205-2 | 205-3 | 206-1 | 418-1

Integrity and compliance with ethical and legal standards are paramount to us. Supported by our Code of Ethics and Conduct and policies, we align stakeholder expectations, promote balanced and prudent management, and increase transparency of our actions. Compliance is also a high priority for us, being integrated into all our daily activities.

From compliance with applicable laws and regulations to business ethics and commitment to high standards of behaviour, we emphasise on these factors and approach this issue from a Group perspective.

0 | legal actions for anti-competitive behavior, anti-trust, and monopoly practices workforce

0 | complaints concerning breaches of customer privacy

0 | identified leaks, thefts, or losses of customer data



Industry



Hospitality & Real Estate

Ethics, integrity, and compliance are relevant matters for our Group as a whole and the sectors in which we operate, to promote stakeholder trust and satisfaction and build healthy relationships throughout the value chain. Mitigating risks associated with these issues are essential to ensure the long-term continuity of our business.

We place great importance on and strongly commit to our values: honesty, respect, integrity, loyalty, and equality. All our employees and management promote internal and external relations with customers, suppliers, and the general public in a legal, ethical, and professional manner, guided by these values which have guaranteed our reputation since 1970.

Our Code of Ethics and Conduct, revised in 2022, applies to all Group companies and covers anti-corruption and anti-bribery practices. This document sets out a series of commitments, guided by rigorous criteria and standards of excellence, which require all our employees and management to promote internal and external relations with customers, suppliers, and the community in general in a legal, ethical, and professional manner. During 2022, we appointed a regulatory compliance officer - responsible for ensuring compliance with our code by constantly monitoring our Regulatory Compliance Programme and its development and daily monitoring. This officer acts independently, permanently, with decision-making autonomy and all the necessary internal information, human and technical resources.

To ensure ethical and professional conduct, our Codes of Ethics and Conduct include the following principles:


Continuous Improvement


Anti-corruption and Anti-bribery


Fair Competition


Conflict of Interest Prevention


Forced Child Labour


Workers' Rights


Human Rights


Diligence and Dedication


Safety, Health, Hygiene


Environment Protection


Image Protection and Asset Conservation


Equality and Non-discrimination


Good Corporate Environment


Professional Secrecy

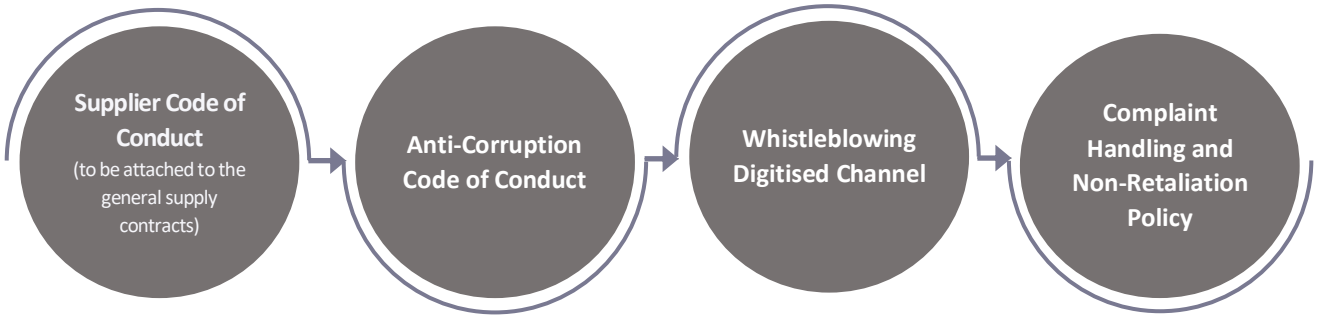
We are committed to ensuring full compliance with all applicable laws and regulations by adopting a Regulatory Compliance Programme in our Code of Ethics and Conduct:

- Prevention of corruption and related offenses;
- Preventing and combating money laundering and terrorist financing;
- Protection of personal data;
- Protection of whistleblowers.

At Endutex, we reject any unethical, dishonest, or fraudulent behaviour including corruption, bribery, money laundering or financing of criminal or terrorist organisations. Furthermore, we do not tolerate any act or omission that may cause or contribute towards situations of conflict of interest or undue favouritism, to promote free competition and fairness in the marketplace. We are committed to ensuring that all the necessary conditions are in place to comply with anti-corruption regulations.

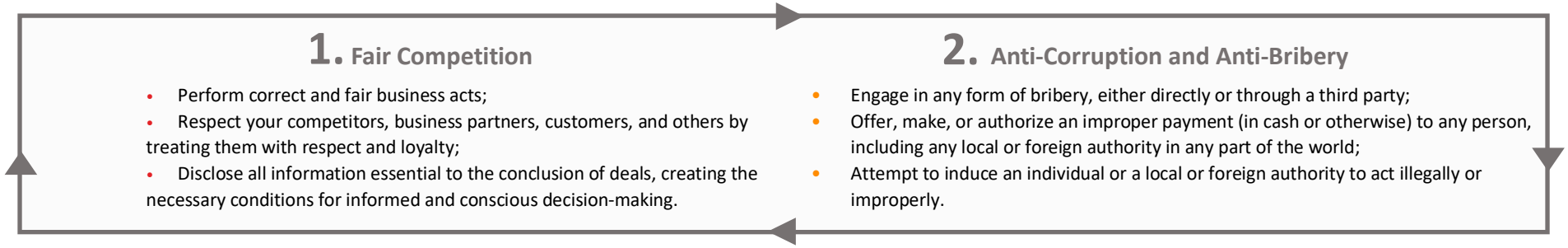
0 | confirmed incidents of corruption

To manage corruption issues, and as a complement to the Code of Ethics and Conduct, the Endutex Group is finalizing updates of the following instruments (expected by 2023):



Our Regulatory Compliance Programme contributes to general compliance over the developed policies and procedures concerning ethics and integrity. Besides appointing a regulatory compliance officer, we currently have a whistleblower channel, accessible to every employee, to report ethical infringements and adverse situations of public interest. For this purpose, to develop our employees' understanding of the Code of Ethics and Conduct, we also provide them with training regarding this topic.

We have also developed a Supplier Code of Ethics and Conduct, which sets out a number of commitments that our suppliers must meet during their relationship with us. This document includes strict criteria and standards of excellence, encompassing fair competition, anti-corruption, and anti-bribery topics. Before establishing business relationships, we also require that our suppliers implement programmes implemented, ensuring compliance with legislation applicable to these and other issues, such as money laundering and terrorist financing. Our commitments to ethics, integrity and compliance encompass a supplier selection evaluation process with diverse criteria, such as:



4.3.2 Procurement Practices

3-3 | 204-1 | 308-1 | 414-1

It is vital that we work with suppliers who are committed to responsible practices, meet the legal requirements of the product and are aligned with our standards and corporate values. We also recognise our responsibility in promoting sustainability integration throughout our supply chain, not only to reduce our environmental and social impact but also to contribute to the development of our business partners on ESG issues.

100% | New suppliers assessed using environmental and social criteria



Industry



A careful process for purchasing materials and services is essential to ensure that the industry has access to quality resources that contribute to its competitiveness, innovation and the sustainability of the value chain.

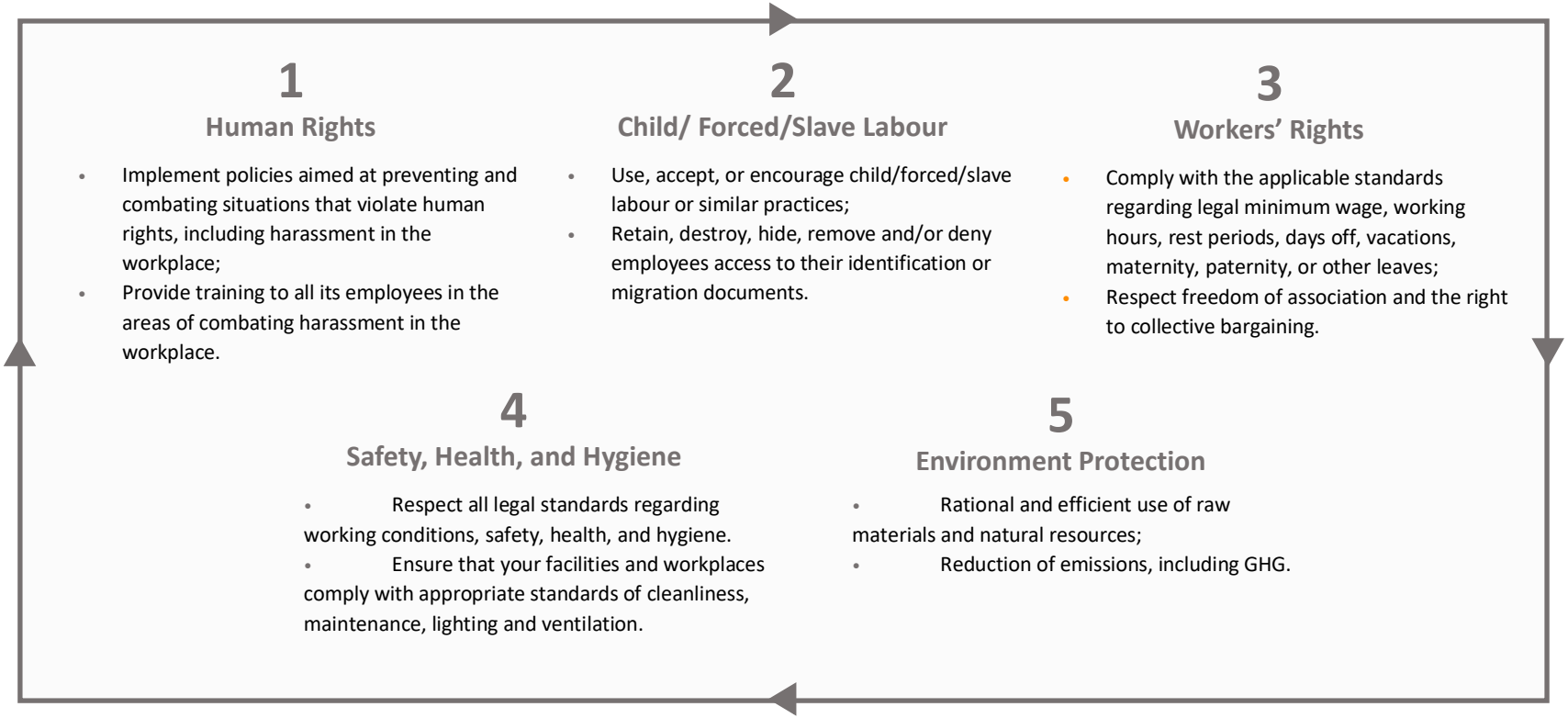


Hospitality & Real Estate



The Hospitality & Real Estate sector relies heavily on its suppliers to ensure its operations, and the supplier selection process can be an opportunity to reduce the sector's environmental and social impacts.

Our Supplier Code of Ethics and Conduct, besides referring commitments regarding ethical themes – anti-bribery, fair competition, and anti-corruption – also outlines a supplier selection evaluation process with diverse criteria, encompassing:



Industry

In Industry, in line with the Group's Supplier Code of Ethics and Conduct, we have developed a Supplier Fact Sheet and a Self-assessment Sheet for all new potential suppliers to gather information on their business model, quality standards and corporate responsibility, including environmental and social criteria. With this document, we give preference to suppliers with environmentally and socially responsible practices that allow us to do so:

- We avoid waste, with the implementation of the "5Ss Policy ".
- We have provided ourselves with close partners.
- We avoid direct awards.
- When hiring new suppliers, we always send a questionnaire.
- We are committed to the environment, with rigorous and safe storage of raw materials, which are kept at minimal quantities, stored, and used to prevent soil, water, and air contamination.
- We economically optimize our supply chain.
- We favour relationships based on commitment and respect.
- We have an evaluation process of suppliers with well-defined criteria
- We are committed to reduce the ecological footprint.
- We accompany suppliers and challenge them to continuously improve the quality of their products, optimize processes and reduce ecological footprint and waste.
- We give "second lives" to eligible materials.
- We promote ethics, transparency, and fairness in business.
- We select suppliers with "far beyond price" criteria
- We select suppliers that comply with human rights and European guidelines.

During 2022, all our new suppliers were subjected to the assessment described above, which focuses on quality standards but also includes environmental and social criteria. We also claim to invest in and employ local suppliers to support the local economy and reduce the environmental impact of long-distance transport. However, due to the nature of the raw materials we use, we still have a majority of foreign suppliers.

37% | of spending on local suppliers

Hospitality & Real Estate

In the hotel industry, the excellence of products and services is essential to meet customer needs and guarantee the satisfaction of our guests. To ensure that suppliers meet the standards of excellence we offer our guests, we consider a number of criteria when selecting suppliers.

The selection of suppliers is a meticulous process, aiming to establish lasting partnerships that align with our values and quality standards.

Our selection criteria

We value partners that share our commitment to excellence, guaranteeing that the purchased goods and services align with the standards of our Moov Hotels.

Quality of Products and Services

We look for partners that demonstrate a clear commitment with sustainable practices, from the production of the product to its delivery, with a responsible approach to the use of natural resources.

Sustainability and Social Responsibility

We search for suppliers that offer competitive prices but that also provide effective solutions that contribute for the optimisation of our processes.

Cost-benefit and Operational Efficiency

Punctuality and delivery reliability are essential for the smooth operation of our hotels, so we value suppliers who meet agreed deadlines, ensuring consistent supply.

Reliability and Respect over Deadlines

We evaluate the reputation of suppliers by searching references and the opinions of other partners and clients.

Reputation and Market Feedback

In Real Estate, although we have less influence, we always seek to work with companies that not only offer us trust, competitive prices, and on-time delivery, but are also transparent about their values of integrity, sustainability, ethics and innovation.

4.3.3 Risk management and internal controls

3-3

The ability to generate and deliver value to customers, shareholders, employees, and suppliers is fundamental for our business growth. To do so in a consistent manner requires the integration of risk management in the Group's decisions making. This includes focusing on the real needs and expectations of the market and a monitorisation of the factors that can affect our competitiveness.

Our Group's management systems, essentially implemented by the requirements of the ISO 9001 standard, supports our development through a culture of permanent innovation, continuous improvement and, above all, risk management. This principle, combined with strict compliance with legal and regulatory requirements, is the fundamental driving force of our Group, for which everyone's participation and commitment is essential.

Risk | analysis carried out in our business



Industry

The nature of the industrial process requires effective management of the risks associated with its activities, including supply disruptions or market changes, to ensure the adaptation of the business to immediate needs.



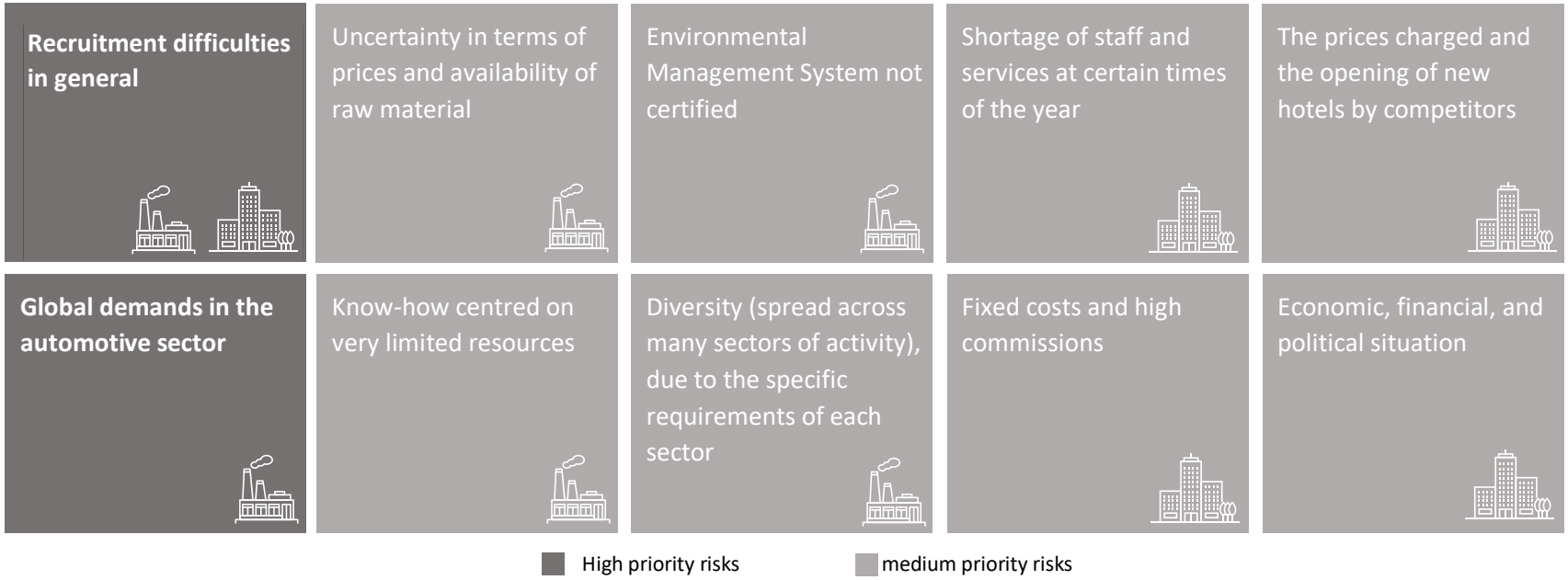
Hospitality & Real Estate

This sector is characterised by seasonality and high staff turnover, so it is important to manage the risks associated with guest and staff turnover and to implement internal controls to prevent crises and operational failures.

Bearing in mind the definition of a strategic and global management plan in our textile production activities and a marketing plan in our Moov Hotels, we conducted SWOT analyses of both our Industry and Hospitality sectors to identify the risks and opportunities associated with our business model in each sector.

In the Industry sector, we began by analysing our organisation's context, encompassing external variables such as political, economic, social, environmental, and technological pressures, requirements and trends and our internal context, considering our mission, vision, culture and performance. We obtained a set of strengths, opportunities, risks and threats, which were further assessed to determine their relevance for us, based on their severity and likelihood of occurrence. We planned actions for each risk and opportunity, which will be implemented according to the respective level of priority. In 2022, we have identified two high-priority risks related to general recruitment difficulties and global requirements in the automotive sector.

The analysis performed for the Hospitality sector followed a similar thought process. Considering our business target and our positioning in the market we listed several factors divided into strengths or weaknesses and threats or opportunities. This analysis contributed to defining five distinct aspects that can be considered risks for our business. The main factors identified as risks for our business model are related to difficulties in attracting and retaining talent and to our competitors, including the opening of new hotels, many in our business segment, and the prices they charge, both in our segment and in higher-end hotels. Other aspects that threaten us are the fixed costs and high commissions associated to Hospitality, as well as other economic, financial, and political.

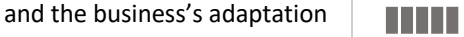
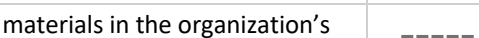
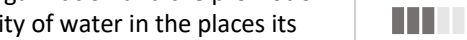
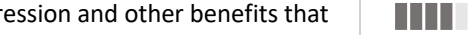
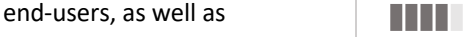
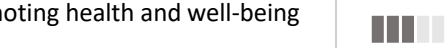
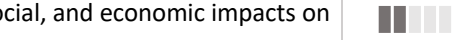
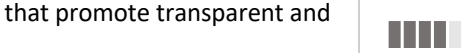
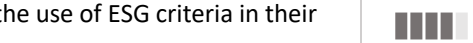
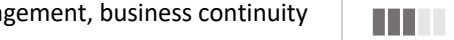


5 Appendixes

5.1 Sustainability Report Scope

Sector	Companies
Industry	*Endutex - Revestimentos Têxteis, S.A.*
	Endutex - Tinturaria e Acabamento de Malhas, S.A.
Hospitality	*Endutex Hotéis - Soc. Unipessoal Lda.*
Real Estate	*Endutex - Imobiliária, Unipessoal Lda.* · *Proeza - Const. Turismo, Unip. Lda.* · *Critério Notável Lda* · *Valor Urbano Sociedade Imobiliária, S.A.* · *Vogal Original, Unipessoal Lda* · *Partilhangular Unipessoal Lda*

5.2 Table of material topic indicators

Material topic	Description of the material topic	Topic relevance		GRI Standards
		Industry	Hospitality & Real Estate	
Climate Change	Impacts associated with the emissions of GHG and the actions to mitigate them, as well as the risks associated with climate change and the business's adaptation strategy			GRI 302 Energy GRI 305 Emissions
Circular Economy	Conscious consumption of natural resources and materials in the organization's activities, promoting its circularity and the reduction of waste production			GRI 301 Materials GRI 306 Effluents and Waste
Water	Impacts associated with the use of water by the organization and the promotion of its responsible consumption, given the availability of water in the places its operations are carried out			GRI 303 Water
Attraction and retention of talent	Contributions for the development of the organization's workers, such as training, work-life balance measures, career progression and other benefits that promote the attraction and retention of talent			GRI 202 Market Presence GRI 401 Employment GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity
Product quality and safety	Practices to guarantee the safety of consumers or end-users, as well as compliance with quality and safety requirements			GRI 416 Customer Health and Safety
Health & safety	Working conditions with a focus on safety and promoting health and well-being of workers			GRI 403 Occupational Health and Safety
Affected communities	Minimization and remediation of environmental, social, and economic impacts on the surrounding communities			GRI 413 Local Communities
Ethics, integrity, and compliance	Culture, values, and principles of the organization that promote transparent and responsible business practices			GRI 205 Anti-corruption GRI 206 Anti-competitive Behaviour GRI 418 Customer Privacy
Procurement practices	Management of relationships with suppliers and the use of ESG criteria in their selection			GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment
Risk management and internal controls	Practices, policies and processes that support management, business continuity and the organization's strategy			

5.3 List of acronyms and abbreviation

ADCA - Azodicarbonamide
AI – Artificial Intelligence
ATP – Associação Têxtil e Vestuário de Portugal
IATF - International Automotive Task Force
B2B – Business to business
B2C – Business to consumer
BREEAM – Building Research Establishment Environmental Assessment Method
CDP – Carbon Disclosure Project
CEO – Chief Executive Officer
CO_2eq – Carbon dioxide equivalent
CSRD – Corporate Social Reporting Directive
CVR – Centro para a Valorização de Resíduos
EN - European
ESG – Environmental, Social and Governance
ESRS – European Sustainability Reporting Standards
EU – European Union
FMEA - Failure Modes and Effects Analysis
GHG – Greenhouse gases
GOTS – Global Organic Textile Standard
GRI – Global Reporting Initiative
GRS – Global Recycled Standard
HSE – Health & Safety and Environment
H&S – Health and Safety
IoT – Internet of Things
IPPC – Integrated Pollution Prevention and Control
ISO – International Organisation for Standardisation
KPI – Key Performance Indicator
LED – Light-emitting diode
LEED – Leadership in Energy and Environmental Design
MSCI – Morgan Stanley Capital International
MRSL – Manufacturing Restricted Substances List
NP – New Work Item Proposal
OCS – Organic Content Standard
ODS – Ozone-depleting Substances
Oeko-Tex Standard 100 – Label that identifies textiles tested for harmful substances
PES – Polyester
PM – Particulate Matter
PVC – Polyvinyl Chloride
REACH – Registration, Evaluation, Authorisation and Restriction of Chemicals
RCS - Recycled Claim Standard
SIDVA – Integrated De pollution System of Vale do Ave
SMETA – Sedex Members Ethical Trade Audit
SteP by Oeko-Tex - Independent certification system for brands, retailers and manufacturers from the textile and leather industry
SVCH – Substance of Very High Concern
SWOT – Strengths, Weaknesses, Opportunities and Threats
SWS – Shared Waste Solutions
S&P – Standard & Poor
VOC – Volatile Organic Compounds
WWTP - Wastewater Treatment Plant
ZDHC - Zero Discharge of Hazardous Chemicals