
Governance, Environmental and Social Commitment



June 2024

A. Company Data

1. Reporting Currency: EUR

The financial statements are reported presented in Euros, as this is the currency used in the economic environment in which the Group operates.

2. Revenues

The revenues reported in the financial statements of the fiscal year-end date are as follows:

2019	2020	2021	2022
€34.258.989	€30.710.064	€40.764.680	€50.684.666

The revenues reported in the financial statements in euros hereabove, have been converted to US dollars, at the exchange rate of the fiscal year-end date, published by the European Central Bank (ECB), as follows:

2019	2020	2021	2022
\$ 38.486.548,24	\$ 37.684.319,53	\$ 46.170.076,57	\$ 54.060.264,76

3. Total Employees

The number of employees the reported in the financial statements of the fiscal year-end date, is as follows:

2019	2020	2021	2022
583	543	559	614

B. Governance

4. Shareholder structure

The company has remained in the same family since its inception, with the family still holding the majority of the share capital.

5. Code of Conduct

There were no breaches to the Code of Conduct for the year 2022.

6. Board Information (Composition, Gender Diversity, Tenure)

The Board of Directors of the Company is composed of four executive members, as follows:

Board composition	Gender	Average Tenure
5	4 Male / 1 female	30 years

7. Cash contributions to campaigns and lobbying activities

The company does not make any contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations nor participates in any program or management system concerning lobbying activities.

8. IT and Cybersecurity

The Executive Manager responsible for IT and Cybersecurity is Mr Serafim Fonseca, under direct supervision of Mr. Ricardo Figueiredo, Member of the Board of Directors.

9. Supplier ESG Monitoring

The company monitors the suppliers' risk of ESG, through regular auditing procedures.

C. Environmental

10. Environmental violations

Since 2019, Impetus has never incurred for any fine or penalty due to any violation related with the environment or ecology.

11. Greenhouse Gas Emissions

(metric tons of CO ₂)	2019	2020	2021	2022	Target for 2022
Scope 1	297,8	151	176	232,6	168,6
Scope 2	1.809,3	1.194,8	851,9	429,9	816,1
Scope 3	No tracking	No tracking	No tracking	No tracking	No target

12. Energy consumption

MWh	2019	2020	2021	2022
Renewable	1.356,67	1.701,05	1.606,47	2.497,49
Non-renewable	2.333,76	1.425,09	1.953,43	1.030,48

13. Circular fashion commitment and programs

Impetus is committed to the principles of circular fashion. In the summer of 2024, there will be launched a product containing 30% of industrial waste (leftovers from the Company's production process). Moreover, it is also under development a "product passport" containing information about environmental impacts along the product lifecycle and its traceability.

Following circular fashion principles, Impetus is participating in a new project aimed at treating both pre-consumer and post-consumer waste. The objective is to reduce the raw materials used in the production process by incorporating pre-consumer waste, and to decrease the amount of post-consumer products that deteriorate with use and are typically discarded. The goal is to extend this production process and technology across the widest possible value chain, including competitors and suppliers.

tonnes	2022
Total weight of items collected through take-back programs	0
Total weight of items collected which were repaired and/or resold in-house	3,15
Total weight of recycled post-consumer textile fibers included in new products	0
Total weight of items produced	1.700,45
Total weight of items sold	1.518,26

14. Packaging Commitment

a. Policy

Under its purpose of sustainability and environment protection policy, Impetus is committed in improving packaging waste and with the increasing incorporation of recycled materials in its production processes. There is not in place a formal program to increase the use of reusable and recyclable packaging, but several efforts have been in place to increase the use of recycled material as packaging solutions, both for Impetus own brand and for the private label clients. The Company only controls the number of packages, it does not control the total weight of the packaging and the weight per type of material used in the packaging, nor the quantity of plastics used.

15. Waste disposal

Metric/tonnes	2019	2020	2021	2022
Total waste recycled/ reused	78.384	69.289	85.420	106.159
Total waste disposed	304.040	226.270	255.963	295.820

16. Water consumption

Mln cubic meters	2019	2020	2021	2022
Total	0,007443	0,005583	0,006869	0,005895

17. Climate Governance

Due to its potential impact in operations, the climate issues impact is in the agenda of the Board of Directors and are discussed at least annually.

18. Emission reductions target

Met. ton. CO2	2021 Base Year	2031 Target Year
Scope 1	176	102,1
Scope 2	851,9	494,1

19. Research & Development

(€ mln)	2019	2020	2021	2022
Amount	0,66	0,72	0,66	0,63
# FTE's	17	28	26	29

20. Biodiversity

a. Biodiversity risk matrix (Annex 1)

21. Life Cycle Assessment

Life Cycle Assessment (LCA) - Recycled Homewear Set (70% Regenerative Cotton + 30% Pre-consumer Cellulosic Textile Waste). In this study, a "cradle to gate" perspective was adopted, meaning

that the environmental impacts were considered from the extraction of raw materials up to the point where the product is packaged and ready to leave IMPETUS.

The functional unit under analysis is a Homewear Set (shirt + pants) made of 70% Good Earth Cotton (GEC) yarn and 30% yarn derived from cellulosic textile waste from our cutting stage, as well as from the company where we carry out our dyeing and finishing stages.

This Life Cycle Assessment (LCA) study will serve as the basis for developing software that will not only digitize Impetus's processes but also enable the creation of a digital passport for all manufactured products.

Primary data were used whenever available, supplemented with secondary data from the ecoinvent v3.9.1 database. There were analyzed 18 environmental impact categories covered by the methodology.

The Recycled Homewear Set which is object of the Life Cycle Assessment methodology represents 0,075% of the total products manufactured by the Company.

22. Use of non-hazardous substances

We do not use any hazardous substances in our production process.

D. Social

23. Living wage

- a. Commitment
 - Impetus Group pays a monthly salary to all its employees, higher than the estimated living wage.
- b. Living Wage methodology
 - Living Wage methodology considers 6 assumptions: i) the threshold poverty limit, ii) the cost of an elementary food and beverage package, iii) the average expenses of a family per month including housing, utilities, medical and transportation, food is excluded from this item as is previously computed, iv) the average size of a family, v) the Living wage formula as per SA 8000 and vi) the monetary benefits payable by the Company such as transportation, health insurance, productivity incentive.
 - The LW value is determined considered the SA 8000 formula and the Company determines the excess value over that Living Wage.
 - The lowest salary paid by the Company is 40% higher than the Living Wage.

24. Workforce Breakdown by gender and function

- a. 77% of women in total workforce as of end of 2022
- b. 22% of women in total management positions
- c. 58% of women in junior management positions
- d. 40% of women in top general positions
- e. 20% of women in management positions in revenue-generating functions
- f. 40% of women in STEM (science, technology, engineering and mathematics functions)

25. Workforce Breakdown by nationality

- a. 98,7% of employees with Portuguese nationality and 1,3% of employees with Brazilian Nationality as of end of 2022

26. Freedom of association

- a. 12% of employees are represented by an independent trade union as of end of 2022.

27. Human Rights Mitigation & Remediation

- a. Annex 2

28. Training & Development inputs

- a. The number of average hours per FTE of training and development per year is 25,6 hours (reference year: 2022)
- b. The average amount per FTE on training and development is EUR 343,09 (reference year: 2022).
- c. Human capital return on investment

	2019	2020	2021	2022
	2,438	2,185	2,733	2,907

29. Talent Attraction & Retention

- a. Hirings

	2019	2020	2021	2022
# of employees hires	90	11	37	98
% of open positions filled with internal candidates	4	3	0	0
Average hiring cost per FTE (€)	1.040,69	1.070,88	1.277,76	1.435,40
% of management level hirings	3%	9%	0%	3%

- b. Hirings by management level

	2019	2020	2021	2022
# junior/low level	0	0	0	0
# middle	2	1	0	1
Senior/top level management	1	0	0	2
TOTAL	3	1	0	3

- c. Type of performance appraisal: the performance appraisal policy used by Impetus applies to all its employees, is performed semi-annually, and is of the type of team-based performance appraisal.

d. Employee turnover rate

	2019	2020	2021	2022
Total employee turnover rate	9,46	8,2	5,7	4,9
Voluntary employee turnover rate	95	93	92	95
Data Coverage (% of FTE)	100	100	100	100

Turnover rate by gender	male:31/ female:20	male:26/ female:20	male:10/ female:22	male:9/ female:21
Turnover rate by age	[18,30[: 24 [30,40[: 11 [40,50]: 5 >50: 11	[18,30[: 16 [30,40[: 10 [40,50]: 5 >50: 15	[18,30[: 10 [30,40[: 10 [40,50]: 6 >50: 6	[18,30[: 10 [30,40[: 4 [40,50]: 4 >50: 12
Turnover rate by function	Management level: 4 Non-management level: 47	Management level: 3 Non-management level: 43	Management level: 0 Non-management level: 32	Management level: 1 Non-management level: 29
Total Turnover (voluntary)	51	46	32	30

30. Occupational Health & Safety

- a. Impetus had no work-related fatalities for the period from 2019 to 2022.
- b. Lost-Time Injury Frequency Rate (LTIFR= n/million hours worked).

2019	2020	2021	2022
n.a.	21,88	12,48	10,2

- c. Lost-Time Injury Frequency Rate (LTIFR= n/million hours worked) – Contractors:

The Company does not monitor the LTIFR for the contractors.

31. Online strategies & customers online

- a. Customer Satisfactory Measurement

	2019	2020	2021	2022
Customer Satisfactory Measurement	85%	90%	95%	95%

- b. Online revenue

	2019	2020	2021	2022
% of online revenue	0,81%	1,69%	1,97%	1,36%

32. Sustainable Marketing & Brand Perception

a. Ethical Marketing & Advertising

IMPETUS and PROTECHDRY Marketing Policy:

Our marketing policy is based on 5 pillars:

- We put the customer at the center of everything we develop - Customer centricity.
- We focus on creating products that satisfy the needs and exceed the expectations of our customers.
- We are committed to transparency of information.
- We are committed to reducing our environmental footprint daily.
- We are a family business serving families.

Annex 1: Biodiversity risk matrix

Place	Activity / Product / Service / Occurrence	Environmental	Unit	PA-Past/P-Present/F-Future	B-Good/N-bad	C-controllable/I-influentiable/NI-non influentiable	N - usual/P-point in time/E-emergency	Environmental impact	Controlling measures	Conformity measures	P/F (Probability)
Thermal Energy Production (Boilers and associated equipment such as expansion tank and thermal fluid pipes)		Biomass consumption	t / month	P	B	C	N	Reduction of natural resources	Record of biomass consumption and the types of materials and sources used.	Regulator ADEN - PREN	5
	Igrangas plantation	Reduction of CO2 emissions	ton / year	PA	B	C	N	Improve the ozone layer	Take care of the Igrangas plantation		1
	Oak plantation	Reduction of CO2 emissions	ton / year	PA	B	C	N	Improve the ozone layer	Take care of the Oak plantation		1
	Placement of nests for bats and birds	Increase in biodiversity	Units	P	B	C	N	Increase in biodiversity	Sponsorship of the project by the Friends of the Mountain Association in the fight against climate change, promoting environmental education and the conservation of natural resources and nature with the BiodiverCity program - 2018		1
General	Vehicle fleet	Electric and hybrid vehicles	KWh	P	B	C	N	Reduction in the use of fossil resources	i) Gradual replacement of the vehicle fleet with vehicles that ensure lower emissions, ii) Replacement of diesel cars with electric ones	N.A	5

Place	G	S	Environmenta l measure	MP	Design/ Development s	Production	Transportatio n/delivery	Lifecycle assessment	Planning	Term/ Entity in charge
Thermal Energy Production (Boilers and associated equipment such as expansion tank and thermal fluid pipes)	4	20	Monthly registry of biomass consumption			X			i) Fully comply with the Equipment Monitoring Plan, ii) Implementation of other Rationalization Measures. PREn (2018-2025), iii) Monitoring the progress of the implementation of the PREn measures through Biennial Reports, iv) Monitoring the implementation of BAT	Continuous - AMB&SST
General	1	1								
	1	1								
	1	1								
	2	10	To be defined					Opt for vehicles powered by electric energy, preferably from renewable sources (solar energy), reducing atmospheric emissions.	Analysis of the fleet consumption records; Continue to assess the need for vehicle replacement and opt for more efficient vehicles in terms of consumption and gas emissions - electric; Evaluate the possibility of installing photovoltaic panels.	Continuous - AMB&SST

Annex 2: Human Rights Mitigation & Remediation Matrix as of January 2023

Risk Matrix for SA8000:2014 Maintenance						
	Risks	Potential Negative Impact	Probability of Occurrence	Impact Severity / Priority Level	Implemented Measures	Effectiveness Evaluation
1. Child Labor	Direct hiring of underage employees	Placing a minor in a precarious situation (school dropout)	Low	High	Verification of the candidates' age at the time of hiring, through identification documents.	Yes
	Supplier/subcontractor hiring underage employees	Indirect use of child labor	Moderate	High	Verification/confirmation, by sampling, of the identification documents of employees, within the scope of conducted audits. Signing of the Impetus Code of Ethics by the supplier/subcontractor.	Yes
2. Forced or Compulsory Labor	Direct supervisors forcing employees to work overtime to meet delivery deadlines and production peaks.	Removal of each employee's free choice to perform overtime work.	Moderate	High	Existence of a Complaints and Grievances procedure and communication channels (e.g., suggestion boxes). Administration of satisfaction and organizational climate surveys to listen to employees. Availability of the HR Department and Workers' Representative to speak with employees.	Yes
	Changes in tasks/functions to respond to new market demands	Relocation of the usual work team	Moderate	Low	Monitoring of adaptation to new roles and/or new teams by direct supervisors.	Yes
3. Health and Safety at Work	Employees not using the provided personal protective equipment (PPE) properly and consistently	Work Accident/body Injuries	Moderate	High	Daily monitoring of shop floor activities. Raising awareness among non-compliant employees.	Yes
	Inadequacy of lighting levels, noise, thermal environment, VOCs, and drinking water quality	Occupational Diseases	Low	High	Evaluation of illuminance levels, noise, thermal environment, and VOCs conducted periodically in accordance with applicable legislation. Annual assessment of water quality.	Yes
	Inadequacy of working conditions and workstations	Occupational Diseases	Low	High	Risk assessment by function. On-site monitoring and evaluation by HSE Technicians. Evaluation of working conditions and equipment by EDS as it serves the purposes of OHS.	Yes
	Absence of preventive maintenance for the equipment	Body Injuries	Low	High	Performing preventive maintenance on equipment (firefighting system equipment, electrical installations, electrical equipment, forklifts,...) in accordance with current legislation.	Yes
	Non-compliance with safety instructions/rules on how to act in case of an emergency	Body injuries/ death	Moderate	High	Conducting evacuation and fire drills. Providing training in Basic Life Support and First Response/Firefighting. Posting signage and information for this purpose.	Yes
	Decrease in contact with Union Representatives	Less access to the union to discuss HRM issues and working conditions	Low	Moderate	Communication and discussion of major changes and initiatives to be implemented with Union Representatives and Workers' Representatives.	Yes
4. Freedom of Association and Right to Collective Bargaining	Decrease in contact with Workers' Representatives	Less access to Workers' Representatives to discuss issues, present complaints, or propose solutions	Low	Moderate		Yes
	Distant relationship between the Workers' Representative and employees assigned to Impetus Faife.	The non-representation of Impetus Faife employees by the Workers' Representative.	High	Low	Existence of a direct communication email with the Workers' Representative and its dissemination among Impetus Faife employees. Development of leisure activities that allow Impetus Faife employees to interact with the Workers' Representative. Following a proposal from HR, an internal workers' representation was formed, consisting of two employees from Faife.	Yes

Risk Matrix for SA8000:2014 Maintenance						
	Risks	Potential Negative Impact	Probability of Occurrence	Impact Severity / Priority Level	Implemented Measures	Effectiveness Evaluation
5. Discrimination	Discriminatory practices among employees motivated by religious beliefs, gender, ethnicity, sexual orientation, nationality, or political affiliation.	Discomfort and isolation of employees targeted by discrimination.	Low	High	Application of the Impetus Code of Ethics and Conduct, which condemns any discriminatory practices. Existence of a Complaints and Grievances procedure and communication channels (e.g., suggestion boxes). Administration of satisfaction and organizational climate surveys to listen to employees. Availability of the HR Department to speak with employees.	Yes
	Favoring or disadvantaging an employee based on their gender.	Different access to training, salary increase, and/or career progression based on the gender of the employee.	Low	High	HRM processes focused on performance evaluation, skills, and development potential, promoting equality of opportunities and salaries. Creation of a salary table whose differentiation factor is based on the functional area and level of expertise.	Yes
	Severity in the analysis of complaints regarding non-compliance with labor and/or occupational health and safety responsibilities.	Increase in the number of disciplinary actions.	Low	Moderate	Application of an internal procedure for managing disciplinary actions and reporting ongoing complaints and disciplinary processes to the Board.	Yes
6. Disciplinary Practices	Implementation of changes in working hours, shifts, and work arrangements.	Changes in the management of family and personal life.	Moderate	Moderate	Implementation of schedule, shift, and/or work regime changes only when essential for the safe performance of tasks. These changes are only implemented after analyzing the employee's family situation.	Yes
	Exceeding the limits on overtime work set by the Labor Code and the Collective Bargaining Agreement (CBA).	Overload and fatigue of the employees.	Moderate	Moderate	Monthly control of the volume of overtime worked. Group Time Bank with a maximum limit of 40 hours or 80 hours (limit to be determined by the employee).	Yes
	Reassignment of shift workers to regular working hours / Shift changes to address the decrease in order volume.	Changes in the management of family and personal life. Performing tasks that are not associated with their professional category.	Moderate	Low	Employees who were assigned to shift work and were temporarily allocated to the regular shift continued to receive the night shift allowance, ensuring no loss of monthly income. The change of tasks (packaging sector) does not imply professional devaluation.	Yes
8. Remuneration	Mismatch between monthly earnings and employees' expenses (salary lower than the National Minimum Wage).	Decrease in quality of life and purchasing power.	Low	High	Annual review of monthly salaries and allocation of a compensation and benefits package that covers core areas of family expenses (such as health and education). Annual calculation of the BNM, comparison with the minimum wage practiced in the company, and critical evaluation.	Yes
	Non-compliance with the provisions of the standard.	Identification of non-conformities in the context of an audit.	Low	High	Conducting system review meetings. Conducting internal audits.	Yes
9. Management System	Direct or indirect supplier failing to comply with their commitment to the Impetus Code of Ethics and Conduct Standards and the SA8000:2014 standard.	Termination of the commercial relationship with the supplier.	Moderate	High	Conducting system review meetings. Conducting internal audits.	Yes
	Remote monitoring of activities and daily operations at the Fáil and manufacturing facilities.	Relying on reports about possible situations that could lead to non-compliance with the standard.	Moderate	High	Bi-weekly visits to the Fáil manufacturing facilities. Close contact with the Production Supervisor assigned to the unit.	Yes