



SUSTAINABILITY REPORT 2023



Tradition & Innovation since 1927

INDEX



About the Report	
	Message from the Chairman of the Board of Directors
Highlights from 2023	
	Main Targets for 2027
01. Riopelle	
1.1. Historical Milestones	
1.2. Activities, Brands and Products	
1.3. Markets	
1.4. Governance and Management Model	
	02. Stakeholders
	2.1. Materiality Analysis
	2.2. Sustainability Strategy
03. Environmental Dimension	
3.1. Materials and Chemicals	
3.2. Water and Effluent Management	
3.3. Waste Management and Circularity	
3.4. Energy and Climate Change	

04. Social Responsibility


- 4.1. Talent Attraction and Retention
- 4.2. Training and Career Development
- 4.3. Occupational Health and Safety
- 4.4. Diversity, Equal Opportunity, and Non-Discrimination
- 4.5. Human Rights
- 4.6. Community Support
- 4.7. Customer Satisfaction

05. Economic and Governance Responsibility

- 5.1. Sustainable Supply Chain Management
- 5.2. Diversification, Quality, and ESG Impact of Products
- 5.3. Research, Development, and Innovation
- 5.4. Ethics, Conduct, Anti-Corruption, and Compliance

06. Attachments

- 6.1. GRI Table
- 6.2. Methodological Notes



Sustainability Report 2023



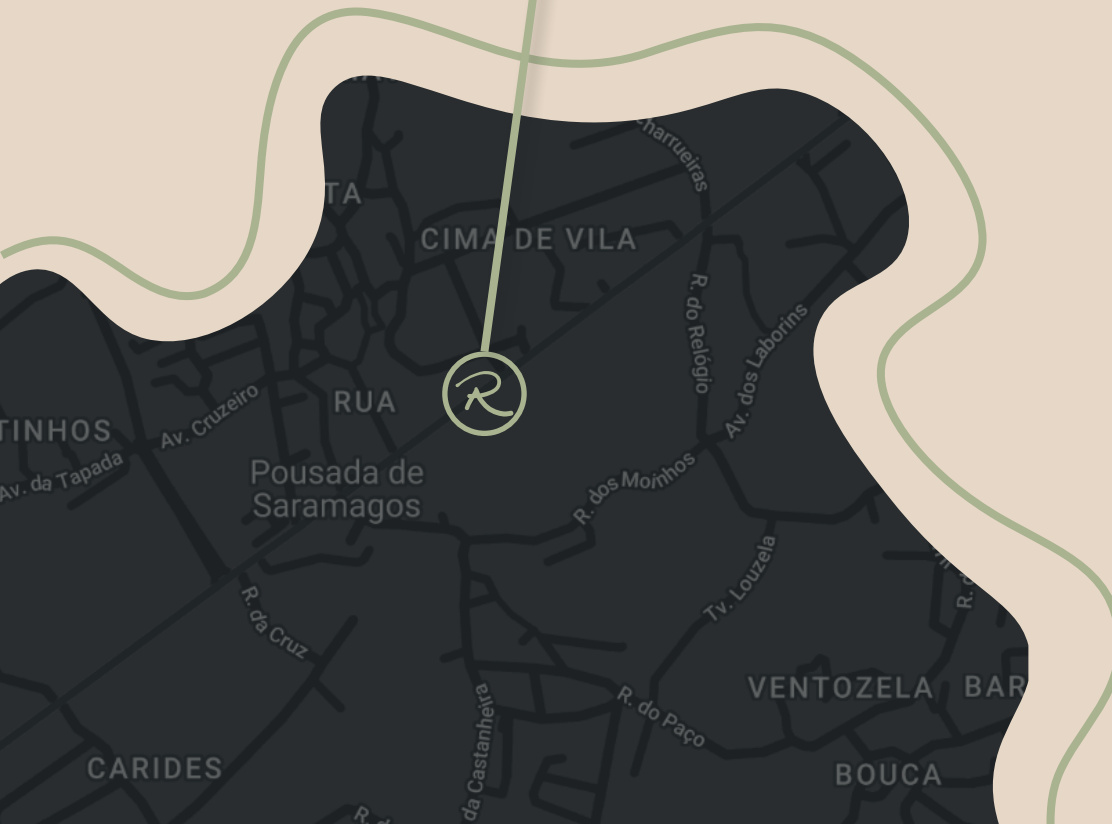
ABOUT THE REPORT

Riopele Têxteis, SA ('Riopele') is headquartered in Vila Nova de Famalicão, more specifically at Avenida Riopele, nº 946, 4770-405 Pousada de Saramagos, Portugal. Riopele's activities are primarily focused on the production of high-quality textiles, with an emphasis on the sustainability of its raw materials and operations.

GRI 2-1 | GRI 2-3

This document is Riopele's second Sustainability Report. The first, referring to 2022, was only shared with a few stakeholders. This document was prepared in accordance with the Global Reporting Initiative 2021 (GRI) standards. The sustainability performance reported herein pertains to the period from January 1, 2023 to December 31 2023, encompassing all Riopele facilities (administrative buildings and factories). Riopele aims to produce an annual report detailing the performance of its activities.

If you have any questions for Riopele regarding this report, please send your message to the email address sustentabilidade@riopele.pt.



MESSAGE FROM THE CHAIRMAN



ON A JOURNEY TO 2027...

In 2023, we embarked on a journey with the goal of becoming the first European textile company to achieve operational carbon neutrality by 2027. This is an ambitious target, but we are confident that, with the implementation of carefully planned measures and projects, we will reach this historic milestone by Riopelle's 100th anniversary.

In this report, covering the fiscal year 2023, Riopelle demonstrates its commitment to protecting the planet by providing transparent information on how each sector of the company is contributing to a more sustainable future for the textile and fashion industry.

In this holistic approach to protecting the planet, we are actively collaborating with our suppliers and customers to create and develop a new generation of sustainable fabrics made from recycled materials and produced in a sustainable manner, demonstrating the real impact that the entire value chain can have when working together.

We are also exploring innovative technological solutions to transform fruit waste into valuable raw materials, converting post-consumer textiles into new high-quality products, and adopting ancestral and renewable materials such as hemp and nettle. These initiatives are at the core of our R&D department, which comprises over 100 professionals dedicated to driving experimental and creative processes and approaches.

Our commitment to society is also evident in our ongoing investments. Between 2023 and 2025, we will invest €19 million in projects aimed at smart water management, the pursuit of sustainable textile solutions, and accelerating the digitalisation of the textile and apparel sector.

Currently, 60% of the energy we consume is provided by renewable sources. In 2023, we began operations at our biomass plant, which has allowed us to reduce natural gas consumption by approximately 70%. This was another important step in consolidating the company's global

strategy, which now continues with the installation of a new photovoltaic plant that will supply about 20% of our current energy consumption, ensuring greater energy independence and more sustainable energy use.

We are also committed to the continuous training of our employees. We have established an unprecedented training programme that has surpassed 50,000 hours of training for the first time, a figure that is nearly double that of the previous year. With a stable workforce, averaging 41 years of age, we have successfully attracted a new generation of talent, with 19% of our employees being under 30 years old.

Among the 150 largest employers in Portugal, we have been recognised for the second consecutive year as the most attractive textile company to work for in Portugal. Additionally, the Municipality of Vila Nova de Famalicão honoured us with the 'Sustainability & Innovation Award | Created IN' for our efforts in the areas of economic, social, and environmental sustainability, as well as innovation.

Lastly, defying the trend of the Portuguese industry, we grew by 6.4% in 2023, reaching a new historic high of 98 million euros.

And over the past five years, in a particularly challenging business environment, we grew by 24.6%, maintaining a solid balance between economic growth and environmental and social responsibility.

Towards the 2027 horizon, we are committed to achieving carbon neutrality in our operations. We are fully dedicated to leading a movement of change in the textile industry towards a better future.

José Alexandre Oliveira

President of Riopele





HIGHLIGHTS

FROM **2023**

E | Environmental Dimension



61% Energy from Renewable Sources

5,1 Carbon Intensity of Products A1+A2 (kg CO2e/kg product)

99,9% Waste Valorisation Rate

50% Reduction in the Intensity of Dyeing Auxiliary Consumption

52% Recycled Water

S | Social Dimension



42%

Leadership Positions Held
by Women

52

Training Hours per Employee

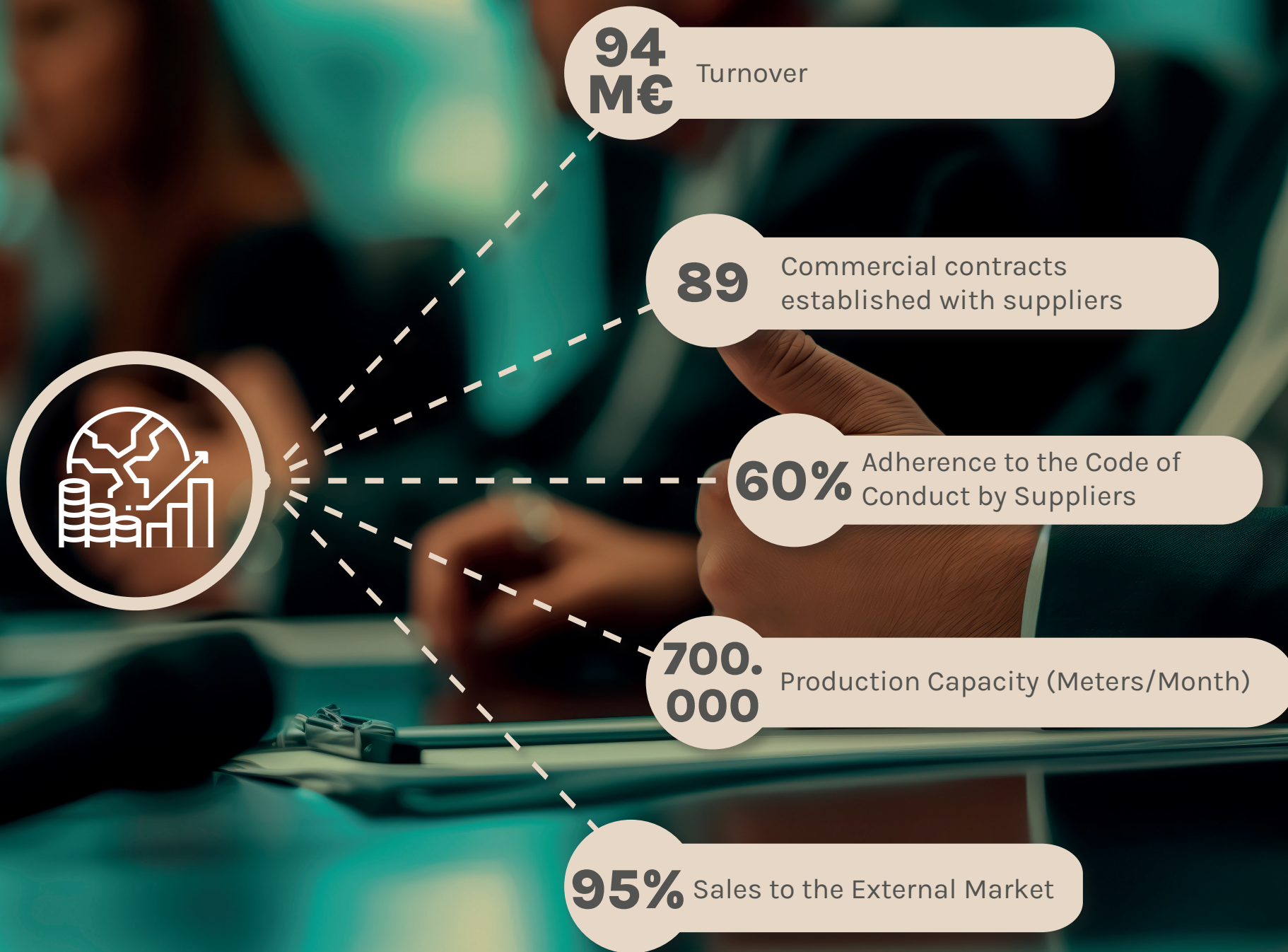
EMPLOYEES

- Number of Employees (Average Permanent Contracts) - **1.014**

- Seniority (Years) - **13 Years**

- Employees Under 30 Years Old (%) - **19%**

G | Economic/Governance Dimension





OUR MAIN TARGETS FOR **2027**

Carbon neutrality of our operations.

20% reduction in the carbon footprint of our value chain.

80% of our marketed products will have sustainability components.

100% use of our textile waste through recycling + reclassification.

60% of the water used in our production processes will be recovered and reused.

90% of the thermal energy used will come from carbon-neutral sources.

100% of the electrical energy used will come from renewable sources.

Increase the overall employee satisfaction.

Increase employee satisfaction with the balance between their personal and professional life.

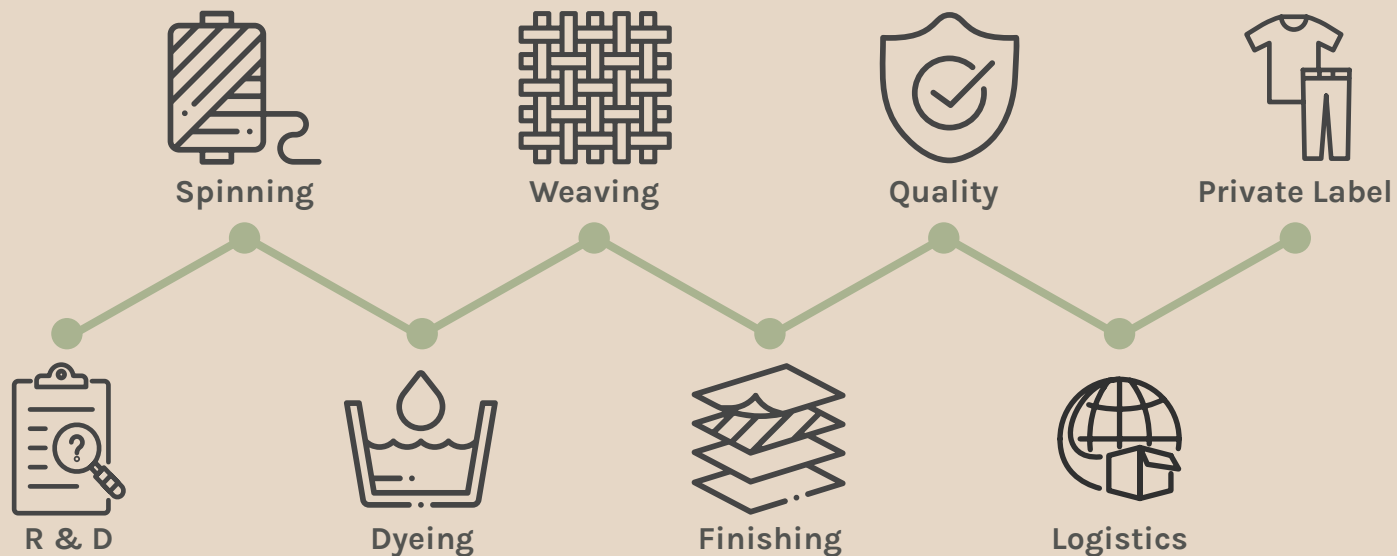


01. RIOPELE

Riopele-Têxteis, S.A., located in Pousada de Saramagos, within the municipality of Vila Nova de Famalicão and founded in 1927 by José Dias de Oliveira, is one of the oldest textile companies in Europe. With a rich history and a tradition of quality, the company focuses on the creation and production of fabrics for fashion and apparel collections.

As a preferred partner of leading global fashion brands and present in over 30 countries, Riopele offers a vertically integrated textile production service that is prepared to keep pace with the fast-moving fashion industry.

Riopele is committed to maintaining and strengthening its position as a leader in the global textile industry for fashion, sustaining close relationships with both traditional fashion companies and emerging fashion brands. With a solid historical track record, a firm commitment to quality, sustainability, and social responsibility, and a focus on process traceability and transparency as well as service reliability, Riopele continues to stand out in the textile sector, remaining a benchmark in the fashion and apparel industry both in Portugal and globally.



FACILITIES:

Riopele's facilities reflect its commitment to **excellence** and **efficiency** in textile production. With a covered area of 130,829 m², the company boasts a **modern infrastructure** equipped with **last generation machines**, enabling it to offer creative, quick, and effective responses to the fast-paced trends of the fashion market. With 100% of production carried out locally and the capability for continuous operation, Riopele demonstrates its dedication to delivering **high quality textile products**, complying with the highest production standards and ensuring the **maximum customer satisfaction**.

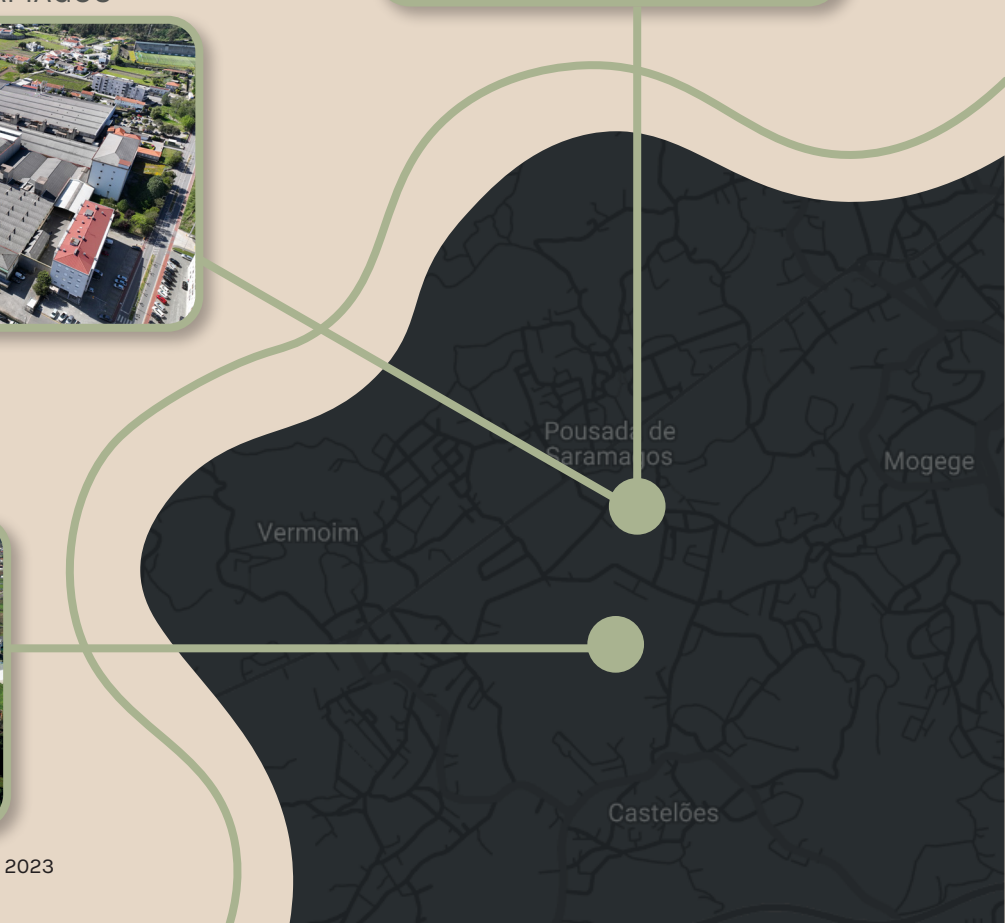
HUB B
POUSADA DE SARAMAGOS



HUB A
POUSADA DE SARAMAGOS



HUB C
CASTELÕES



MISSION AND VALUES:

Riopele aims to be at the forefront of the industry, focusing on innovation as a key driver of its competitiveness in the global market. Given its current position in the fashion market, with the ongoing development of innovative and sustainable fabrics, Riopele is a supplier to some of the world’s most prestigious fashion houses and an opinion leader thanks to its collections.



We believe that our values positively distinguish us and contribute to the creation of a strong brand and exceptional products, making us a reference in the global market.

The company has been making a series of investments that have allowed it to continue pursuing its strategy, strengthening its position in the market as a reference company in the sector and a leader in Human Resources Management.

VISION



To be the leading company in the textile industry of the future, innovative and sustainable, based on transparent and responsible resource management, respect for human rights, and the promotion of technological development.

MISSION



To be a global textile company with creative and sustainable horizons, grounded in an environment of innovation, continuous improvement, and operational excellence, aiming to add value to our customers, suppliers, employees, shareholders, and community.

VALUES



- Soundness: We encourage a culture of innovation and personal development.
- Trust: We value strong leadership qualities and cooperation.
- Success: We act with a constant focus on customers and results.



Our commitment to our customers is to provide them with products and services that enhance their business development.

POSITIONING:

Riopele stands out for its strategic positioning in the textile sector, focusing on three key pillars for its success.



Riopele focuses on the product, prioritising design and innovation as key elements in creating high-quality fabrics and unique clothing items. In addition to design, the company values the supply chain and the traceability of its products. From the selection of raw materials to final delivery, Riopele aims to ensure the origin and quality of all materials used in production, promoting and investing in sustainable development.

Regarding the production process, Riopele is committed to adopting sustainable practices, such as water conservation, waste reduction and proper treatment, energy efficiency, and responsible chemical management. These initiatives demonstrate Riopele's commitment to environmental preservation and minimising its environmental impact.

Riopele prioritises its employees, with a commitment to continuous development, well-being, and their safety and health. This commitment is reflected by the recognition as the ‘Most Attractive Textile Company to Work for in Portugal,’ awarded by Employer Brands | Randstad Portugal in 2023.

Additionally, in 2023, Riopele continued its upward trajectory by investing in the following areas:



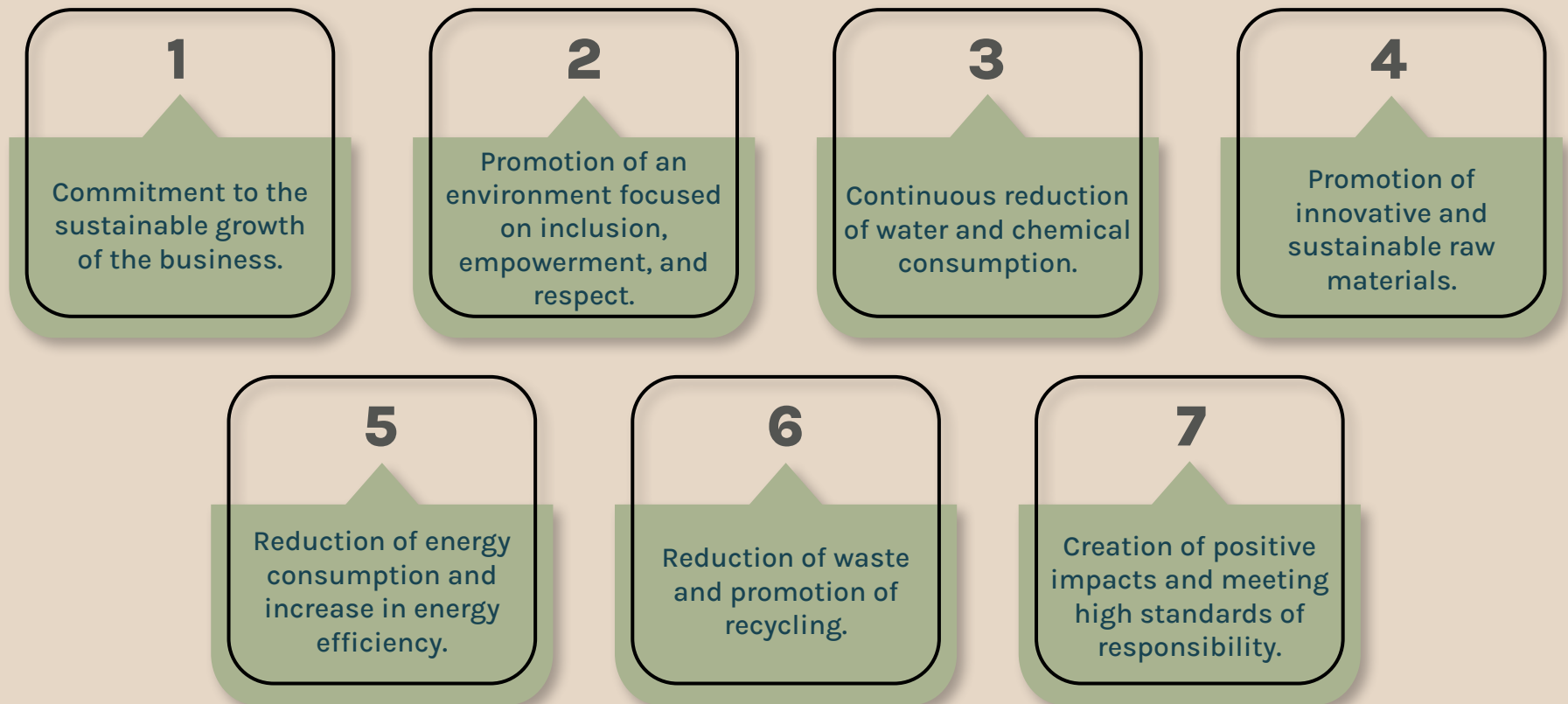
OUR COMMITMENTS:

In addition to the commitment reflected in the Riopelle Policy, the company undertakes various strategic commitments to ensure its success and satisfaction throughout its value chain. Riopelle is dedicated to fostering **innovation, creativity, differentiation, and sustainability** in its products and business model in the markets where it operates.

Through a continuous search for innovative solutions, Riopelle aims to meet market needs by offering unique and sustainable products.

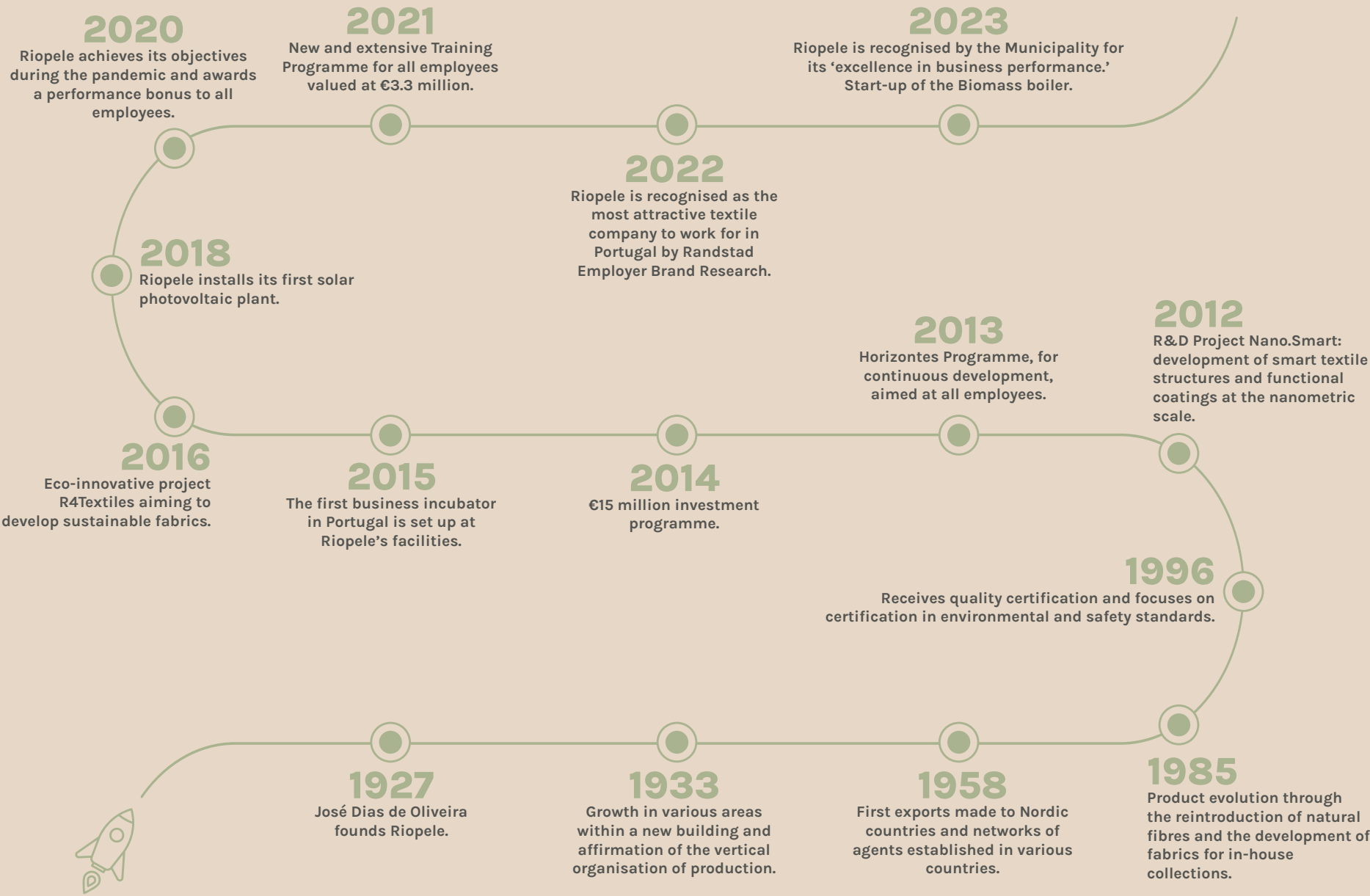
To highlight its focus and commitment to sustainability, Riopelle is dedicated to creating innovative and sustainable fabrics, setting clear goals regarding its environmental performance.

The main objectives regarding sustainability at Riopelle are as follows:



1.1. HISTORICAL MILESTONES

Riopele takes pride in its nearly century-old history. Since 1927, the company has been consolidating its position as a leader in the textile sector in Portugal, thanks to sustainable growth and a focus on product quality.



RECOGNITIONS:



We acknowledge that there is still a long way to go, but we are committed to finding innovative ways to overcome the existing barriers in textile production and design.

1953

The Rioplex brand is launched, developed in partnership with Bayer.

1963

Partnership with Hoeschst.

2008

Rioplele fosters the establishment of various partnerships.

2015

Award for Best Large Exporting Company of Tradable Goods.

2018

The Tenowa brand receives the COTEC Innovation Product Award at the iTechStyle Awards.

'Best Investment' Award by AICEP

2021

Sustainability & Innovation Award | Created IN

2023

CORE ACTIVITIES:

Riopele focuses its activities on the development and production of fabric collections for major national and international fashion brands. With a monthly production capacity exceeding 700,000 metres of fabric, the company stands out in the production of high-quality textiles, using a variety of natural, synthetic, artificial, and recycled fibres, and specialising in the polyester/viscose/elastane composition. By vertically integrating its entire production cycle, from raw materials to fabric and/or finished garments, Riopele ensures high production flexibility, stringent quality control, and a short lead time.

Monthly production capacity exceeding
700.000
metres of fabric

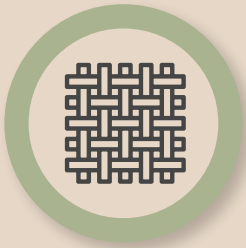


R&D | Supported by a partnership relationship with the customer and focused on creating innovative products, Riopele’s R&D department brings together research, development, and engineering teams and activities. This allows Riopele to offer a complete and customised service, from concept definition to the design of the final product.

SPINNING | With the capability to work with all types of fibres and a variety of colours, Riopele’s spinning units are equipped with over 30,000 spinning spindles, 10 winding machines, and more than 60 twistors, enabling the development of novelty yarns and new colour combinations.



DYEING | Integrating the latest technology and congregating all types of dyeing processes, Riopele’s Dyeing department is geared towards the production of samples, prototypes, small and medium quantities, as well as large-scale production, with an installed capacity of approximately 180 tonnes per month.



WEAVING | Capable of providing a quick and flexible response to market demands, the Weaving department produces fabrics with great technical and creative complexity. It features a technologically advanced machine park equipped with 188 looms, a digital production monitoring system, and artificial vision systems for quality control.

FINISHING | Harmoniously combining chemistry and mechanics, Riopelle's Finishing department is equipped with state-of-the-art machinery and is divided into three different phases: Preparation, Dyeing, and Finishing. Through these processes, we ensure the high performance of our fabrics in terms of aesthetics, comfort, and functionality.



QUALITY | In a process aimed at meeting requirements and anticipating customer needs, all fabrics produced undergo comprehensive inspection, control, and, if necessary, correction processes throughout the entire production cycle.

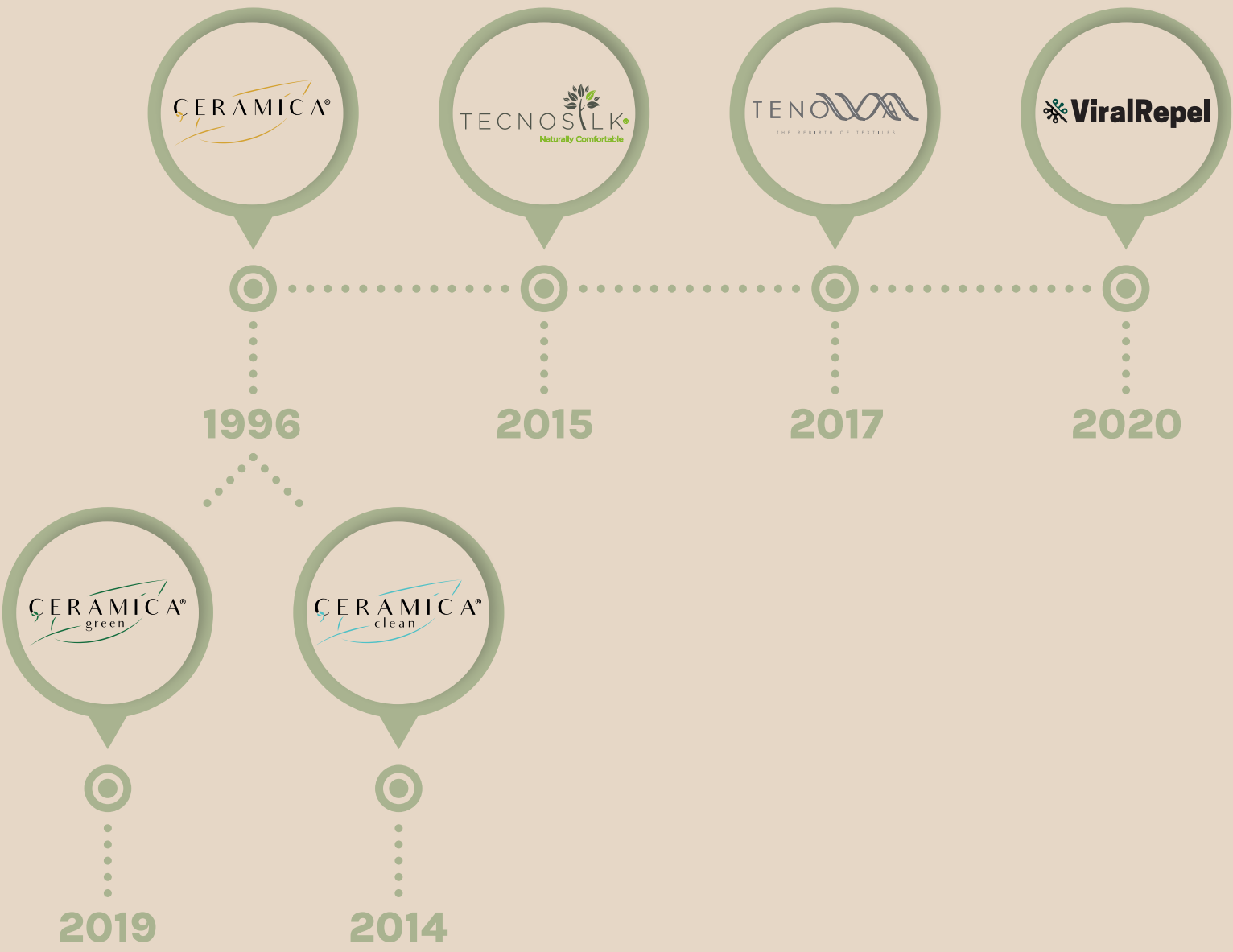
LOGISTICS | Thanks to the vertical integration of its production and advanced management systems, Riopelle is able to obtain real-time information, enabling control of the flow, optimisation of operations, and transportation. The company works closely with global operators to ensure the quality and speed of its delivery service.



PRIVATE LABEL | With 96 years of experience in the textile and fashion industry, Riopelle also offers a specialised garment production service, which includes design, pattern making and sample production, fabric supply and finishing, cutting and sewing, quality control, private labelling, and customised delivery.

BRANDS:

Riopele focuses its activities on the development and production of fabrics for fashion and apparel collections. The company is committed to the values of innovation, quality, and sustainability, ensuring traceability and transparency in its processes and reliability in its services. To fulfill this commitment, Riopele has several brands designed to meet the specific needs of its customers.



1.3. MARKETS — — — — —

As a globally represented company serving a significant part of the fashion industry value chain and partnering with leading market players and reference brands, Riopelle caters to 516 customers across 34 countries, leaving its ‘mark’ on every continent. The primary markets include Germany, Spain, the USA, Italy, France, Scandinavia, Canada, the United Kingdom, China, Japan, and South Korea, which together represent 99% of its revenue.



As a leading brand in the textile industry, Riopelle approaches markets with customer-focused strategies, loyalty-building, and partnerships that involve the customer in the creative process, addressing their needs and positioning in terms of sustainability standards, product updates, and changes in the profile of their clients and end consumers.

1.4. GOVERNANCE AND MANAGEMENT MODEL — — —

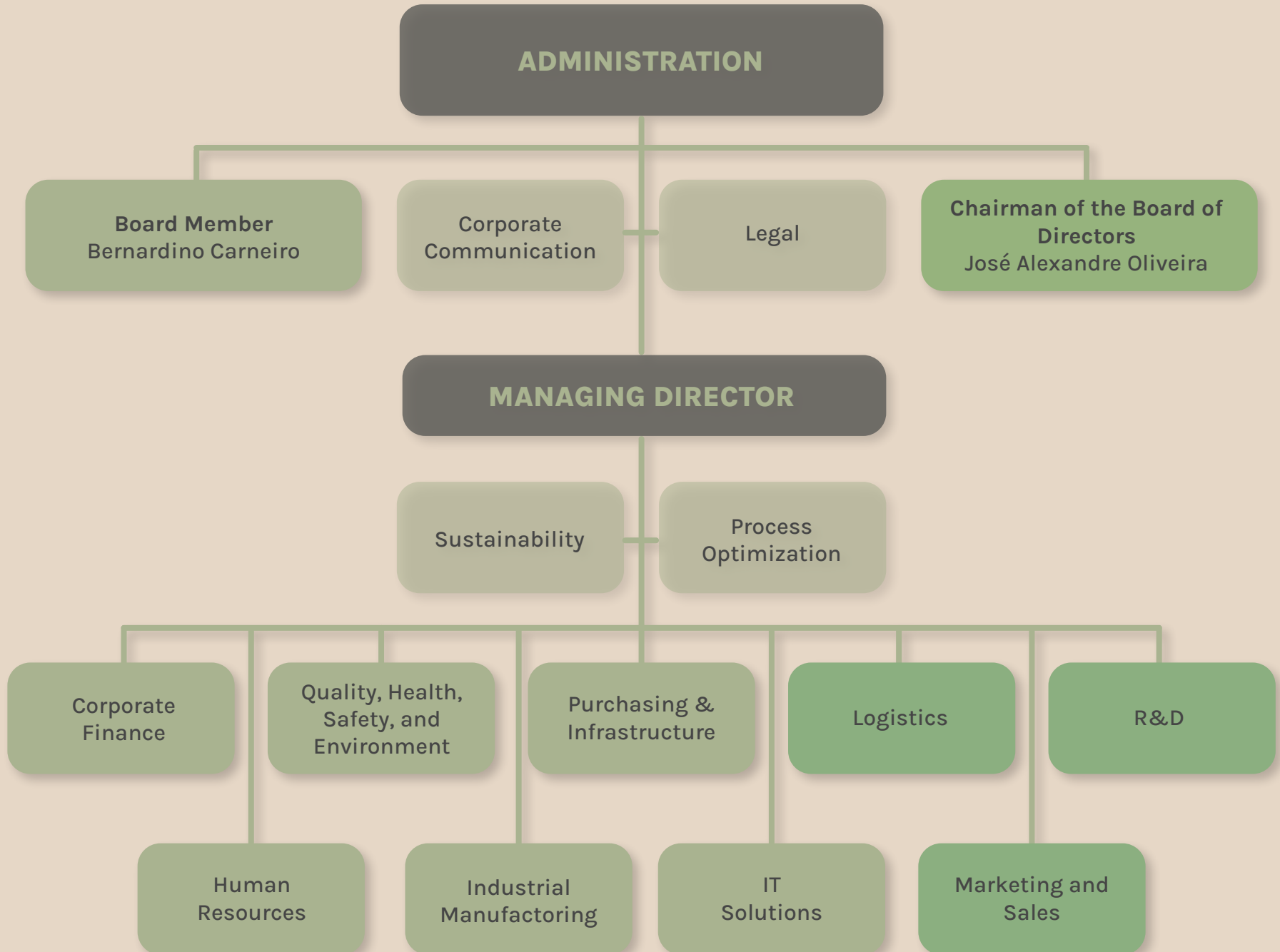
GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-12 | GRI 2-13

The strategic orientation of Riopelle is planned and outlined by its Board of Directors, which consists of the Chairman, an Executive Member, and a Non-Executive Member. All Board members are independent and are elected by the General Shareholders' Meeting, to whom they report. These elections occur during the General Meetings, with terms lasting four years and being renewable. The activities of the Managing Director and other company directors are organised and supervised by the Board of Directors, ensuring that the interests of shareholders are safeguarded throughout all stages of the business development. For a clearer and more structured understanding, the Riopelle's organisational chart is shown below.

In 2023, with a focus on process improvement and efficiency, Riopelle established a new Continuous Improvement area.

In terms of sustainability, Riopelle established its sustainability strategy in 2023. This strategy, based on five key areas of action, outlines commitments, targets, and initiatives to be implemented concerning environmental, social, and governance dimensions. This strategy will be implemented and monitored by the Sustainability Department, supervised by the Managing Director, and subsequently overseen by the Board of Directors.

RIOPELE'S GENERAL ORGANISATIONAL CHART

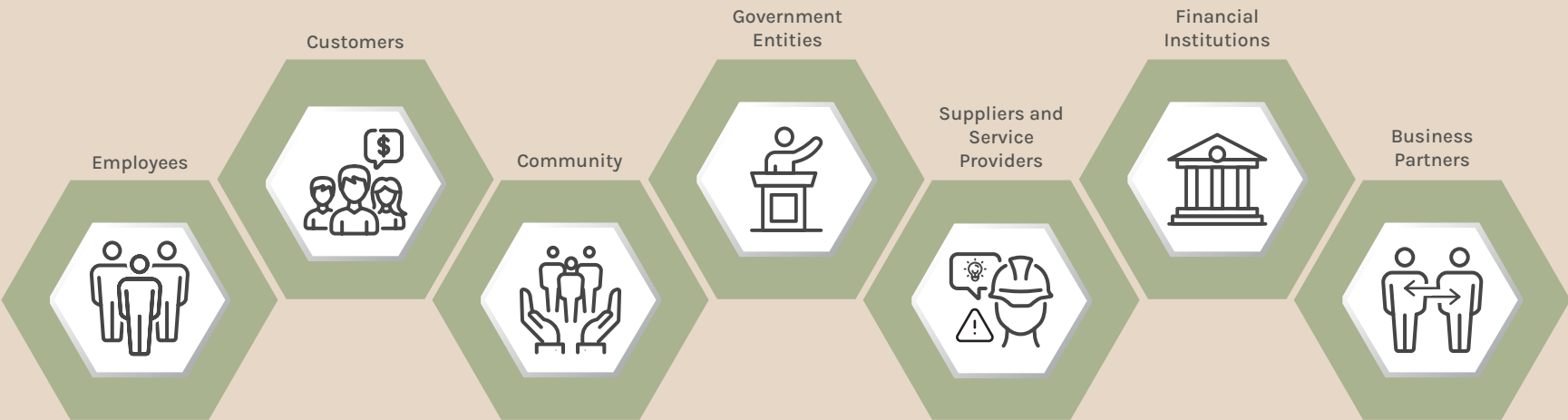


The background of the page is a light beige color. It is decorated with several thin, dark green, hand-drawn style lines that form abstract, organic shapes, resembling stylized leaves or flowing water. These lines are scattered across the page, with some forming larger, more complex shapes and others being simple, curved strokes.

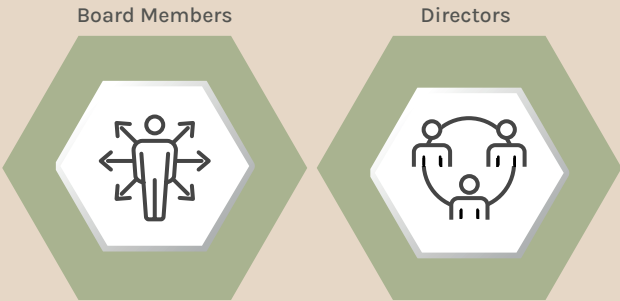
02. STAKEHOLDERS

Riopele conducted its materiality analysis in accordance with GRI standards. This analysis follows the principle of double materiality, aiming to assess the magnitude of the impact (both negative and positive) that the company’s activities have on various issues, as well as the perception of external stakeholders regarding the significance of these issues and their impact on the company’s financial results. To this end, Riopele consulted its stakeholders. Approximately 160 stakeholders (both internal and external) were surveyed online to gauge their perceptions of Riopele and to identify their expectations and concerns regarding sustainability/ESG (Environmental, Social, and Governance) matters. To gain a broader range of perspectives on the relevance of each issue for Riopele, internal stakeholders from different departments were consulted. External stakeholders were selected based on their dependence on Riopele and/or the influence they have over the company.

External Stakeholders of Riopele

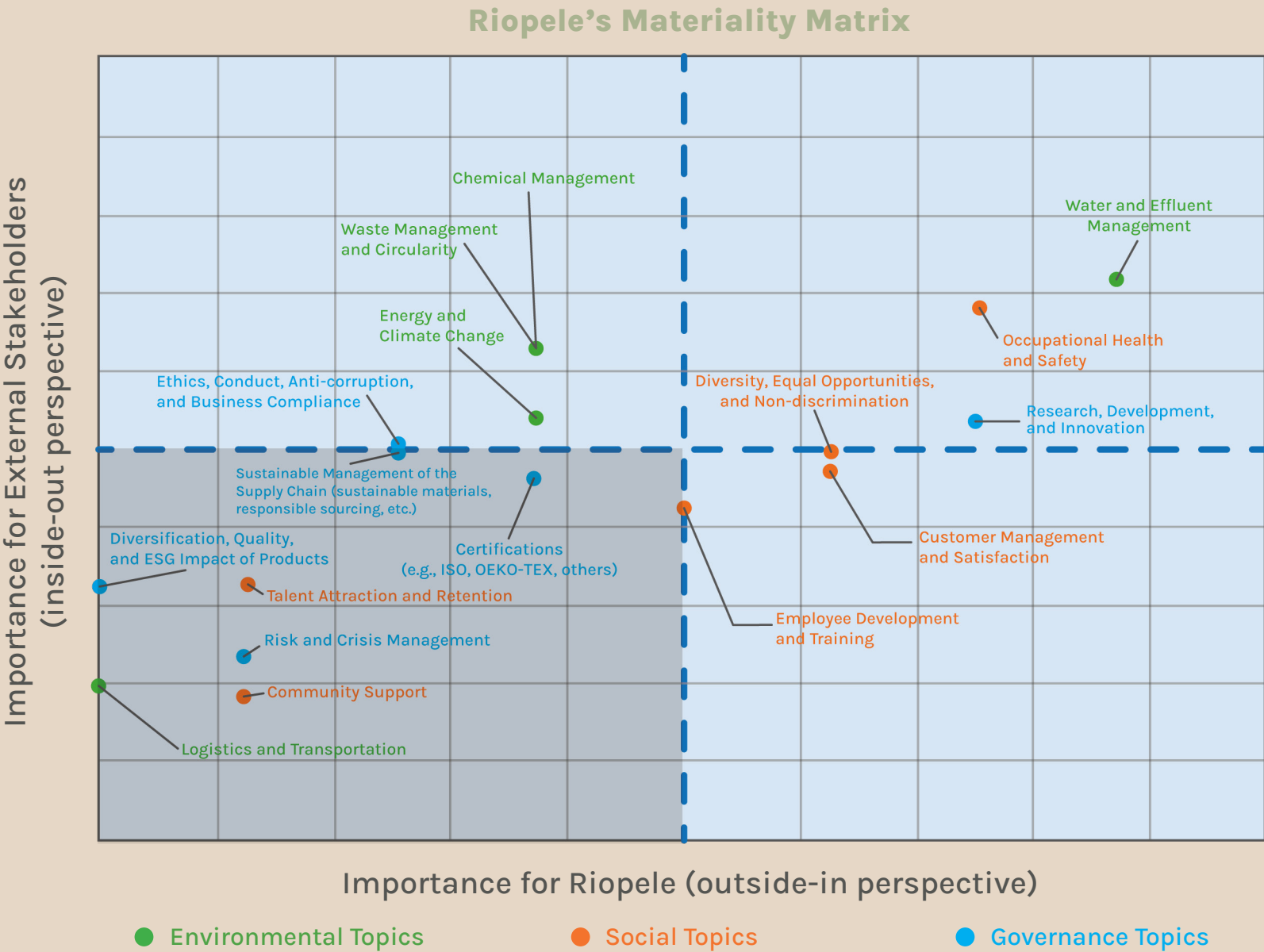


Internal Stakeholders of Riopele



The stakeholder consultation process is typically carried out with a frequency aligned with the strategic cycle and will support the development of a sustainability strategy by Riopele.

In this consultation process, Riopelle achieved a response rate of 66%. Following this consultation, material topics were identified based on their priority for the company, categorised into high-priority topics, priority topics, and other monitored issues. The results of this exercise are reflected in Riopelle’s Materiality Matrix.



● Environmental Topics

● Social Topics

● Governance Topics

HIGH PRIORITY

Water and Effluent Management

Occupational Health and Safety

Research, Development, and Innovation

PRIORITY

Energy and Climate Change

Waste Management and Circularity

Chemical Management

Sustainable Management of the Supply Chain

Ethics, Conduct, Anti-corruption, and Business Compliance

Diversity, Equal Opportunities, and Non-discrimination

Customer Management and Satisfaction

Employee Development and Training

2.2. SUSTAINABILITY STRATEGIES

As a result of the materiality analysis, Riopete developed a sustainability strategy. This strategy was based on a comprehensive analysis of sector-specific information, benchmarks, and international trends, as well as the context of Riopete's activities throughout its value chain.

The focus of this sustainability strategy is on making the textile and fashion industry more sustainable by accelerating a positive impact on the planet through its activities and products. In this regard, Riopete aims to create innovative and sustainable fabrics that help achieve environmental goals by increasing the use and integration of recycled raw materials, enhancing durability to promote circularity, and supporting the use of cutting-edge technologies to optimise production processes. The strategy is based on five key priorities:

Our Priorities	Mitigation and Adaptation to Climate Change	Promotion of Eco-efficiency and Reduction of Environmental Impacts	Sustainable Value Chain	Secure, Skilled, and Diverse Workforce	Robust Governance Model
Our Vision for the Priority	Become one of the first companies in the sector, at the European level, to achieve operational carbon neutrality by 2027.	Continuously seek to reduce our water and chemical consumption, as well as to increase the use of recycled raw materials, while designing for circularity and ensuring that all waste created is reused, recycled, or recovered.	Promote the use of innovative and sustainable raw materials, creating innovative and sustainable fabrics.	Provide a work environment free from harassment, violence, and discrimination, implementing strict policies on safety, hygiene, and occupational health, and empowering our workforce with best practices.	Develop a robust governance model that prioritises ethical behaviour and decision-making, implementing anti-corruption and compliance policies, and ensuring adherence to our Code of Ethics and Conduct.
The Main Relevant Topics	» Energy and Climate Change.	» Water and effluent management. » Waste management and circularity. » Chemical management	» Sustainable management of the supply chain. » Customer management and satisfaction. » Research, development, and innovation.	» Occupational health and safety. » Employee development and training. » Diversity, equal opportunities, and non-discrimination.	» Ethics, conduct, anti-corruption, and business compliance. » Diversity, equal opportunities, and non-discrimination.

In addition to outlining the strategy, Riopelle is developing action roadmaps for each priority. These plans will include commitments, goals, initiatives, and indicators for monitoring performance against them.

Additionally, Riopelle conducted an analysis regarding the contribution to the Sustainable Development Goals (SDGs), identifying both the priority SDGs and the relevant SDGs.

PRIORITY SDGs FOR RIOPELE



OTHER SDGs RELEVANT FOR RIOPELE





03. ENVIRONMENTAL DIMENSION

Currently, the textile sector is facing significant environmental challenges. On one hand, there are various legal requirements concerning different aspects, while on the other hand, the sector has become stigmatised, particularly due to the term 'fast fashion'. According to the European Environment Agency, the average European purchases 26 kg of textile products annually and discards 11 kg. In terms of resources, this requires a per capita consumption of 400 m² of land, 9,000 litres of water, and 391 kg of raw materials, resulting in the emission of 270 kg CO₂e. Additionally, only 22% of used textiles are collected for reuse or recycling, with the remainder being incinerated or sent to landfills.



We protect our planet at every stage of our processes, without excluding any part of Riopelle.

Aware of the environmental impact of the sector and its responsibility as one of the national market leaders, Riopelle demonstrates a solid commitment to promoting sustainable development throughout the value chain and the responsible use of natural resources. In this regard, Riopelle has set various commitments and goals to be achieved by 2027 (as presented on page 27) concerning its environmental activities.

To achieve these goals, Riopelle actively participates in research and development projects in collaboration with research centres and universities. These partnerships aim to adopt innovative technologies, develop more efficient processes, and increase the use of recycled and sustainable raw materials. Additionally, to achieve sustainable industrial production, we invest in projects focused on equipment modernisation and process innovation. The main drivers of these investments are Industry 4.0 and Digitalisation, as well as Circular Economy and Sustainability. By implementing these initiatives, Riopelle seeks to optimise efficiency, reduce the consumption of natural resources, and minimise environmental impacts. It also focuses on incorporating the principles of the circular economy into its value chain, promoting the reuse of materials and waste minimisation.

At Riopelle, ensuring that fabrics are safe for both people and the environment is crucial. The product development strategy is outlined with a focus on sustainability, reflected in the approach to design elements, traceability, processes, and raw material selection. To this end, the company seeks certified raw material suppliers, among other criteria, based on their sustainability performance or certification (see 6.2 Methodological Notes: Materials and Chemicals). In 2023, 72% of the products sold incorporated responsible raw materials, similar to the previous year. Riopelle is proud to be part of this journey towards a sustainable future for the fashion industry.

72%

of the products sold incorporate responsible raw materials compared to the established goal of 80%.



By 2025, our ambition is for 80% of our products to fall into sustainability categories.

To enable its partners to make more conscious and sustainable choices, Riopelle developed a sustainability matrix for the raw materials used in its products. This matrix details, among other aspects, the materials, origins, environmental and social impacts, certifications, and their suitability for their brands.

Riopelle is also committed to ensuring that all materials used in the packaging of its products come from responsibly managed forests or recycled sources.



RAW MATERIALS:

Raw materials are a crucial asset for Riopele. The company’s mission and commitment focus on the sustainability of its value chain, aiming to use more environmentally responsible raw materials, prioritising the use of organic, renewable, and/or recycled fibers, yarns, and fabrics.

Riopele monitors the quantities of raw materials, chemicals and dyes, and packaging used. For raw materials, the quantities of fabric, yarn, cloth, and others are considered. Regarding packaging, the quantities of plastics, paper and cardboard, wood, and other types of packaging are mapped.

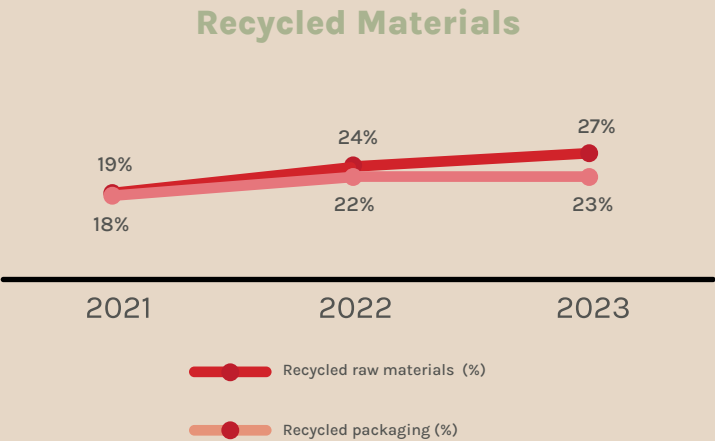


Overall, the quantity of materials consumed by Riopele decreased from 16,668 tonnes in 2022 to 14,454 tonnes in 2023. Analysing the source of materials, approximately 40% of the raw materials are of renewable origin, a figure that has remained relatively constant since 2021. The percentage of packaging of renewable origin varies between 65% and 70%.

The consumption of organic raw materials increased from 0.18% in 2022 to 0.4% in 2023.

Regarding material composition, there is a notable increase in the consumption of recycled raw materials, rising from 19% in 2021 to 27% in 2023. Similarly, for packaging, the percentage of recycled content has also increased, from 18% in 2021 to 23% in 2023.

As part of its sustainability roadmap for raw materials, Riopele will strive to continue increasing the percentage of renewable, recycled, and organic materials used in the manufacturing of its products, thereby reducing its environmental impact.



Recycled Materials	Responsible Cotton Sourcing	Materials from Responsibly Managed Forests
<ul style="list-style-type: none">Tenowa®, RiopelePoliéster, Repreve® UnifiLyocel, Refibra™ LenzingRecycled WoolRecycled CottonPoliéster Recron Green Gold, Reliance	<ul style="list-style-type: none">Better Cotton (BC) MemberOrganic Cotton	<ul style="list-style-type: none">Lyocel Tencel™ LenzingEcoVero™ Viscose LenzingNaia™ Acetate by Eastman

CHEMICAL MANAGEMENT:

As a major goal, Riopelle aims to eliminate the use of hazardous chemicals throughout its supply chain. To achieve this, chemical management focuses on selecting safer and more sustainable substances for people and the environment, as well as on reengineering production processes and product design to enhance production efficiency and minimise consumption.

The company complies with national and European legislation, strictly adhering to legal and regulatory requirements such as the REACH Regulation and the STeP - Sustainable Textile Production certification. Riopelle also meets the Restricted Substances List of the ZDHC - Zero Discharge of Hazardous Chemicals programme and is committed to the new European Union chemical management strategy, aligned with the European Green Deal.

Currently, 77% of the chemicals used in the company's operations meet the Level 3 requirements of the ZDHC.



By investing in new state-of-the-art dyeing machines, we have reduced the consumption of dyeing auxiliaries by 50%.

Water is a vital resource for the textile industry. This is due to the nature of the production processes, which inherently consume large quantities of water.

Aware of the impact of its activities on water resources, Riopelle considers responsible management and mitigation of the impact of its activities as two of its core commitments. In this regard, in addition to monitoring water intake, discharge, and reuse, the company is implementing various water efficiency measures to optimise water consumption and recover effluents generated in production processes. Riopelle's water management is based on three key principles:



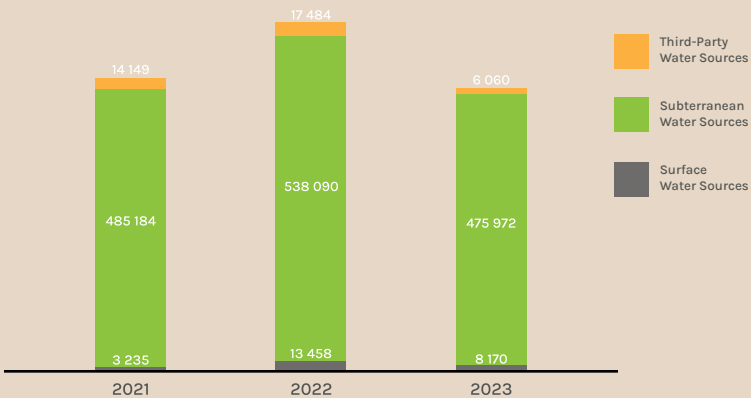
Reduce: Decrease the amount of water used in processes.

Reuse: Direct reuse of cooling water.

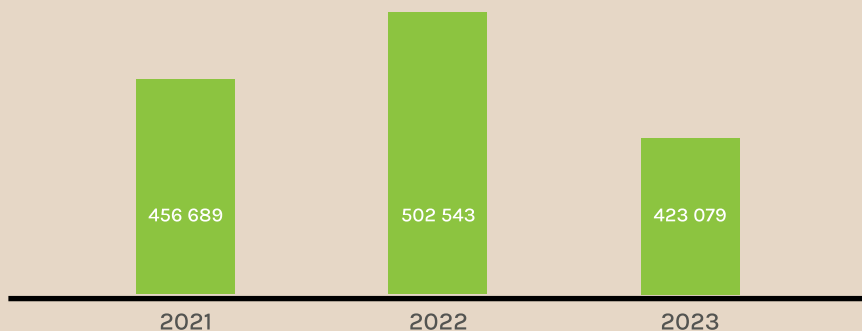
Recycle: Recovery of effluents from the company's production processes.

In 2023, Riopelle was responsible for withdrawing 490.0 million litres of water (approximately 14% less compared to 2022), with 97% of the water obtained from subterranean sources, 1% from the public supply network, and 2% from rainwater. These figures reflect all the water used for both industrial purposes and non-production activities, such as irrigation, maintenance, or sanitation facilities. Of the total volume of water withdrawn, 14% was consumed in Riopelle's industrial processes, while the remainder was sent for treatment by SIDVA (Integrated Pollution Control System of the Ave Valley), showing a 16% decrease in the quantity of effluents (MI). All the water withdrawn is considered freshwater.

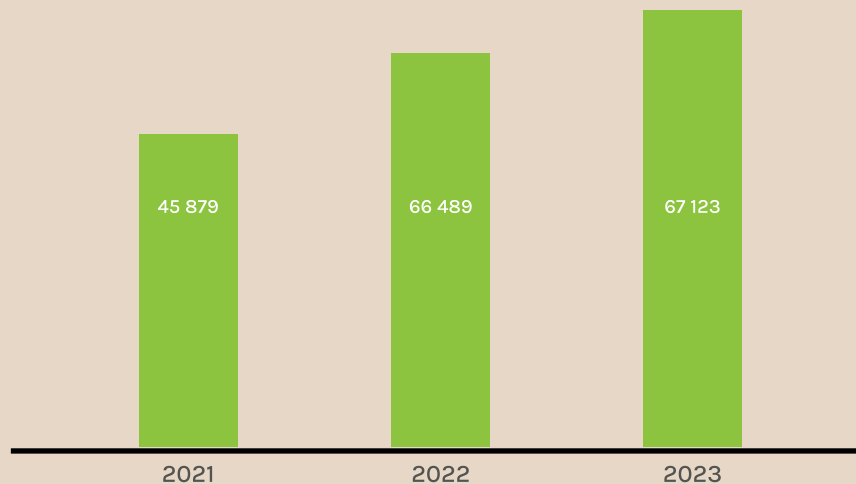
Water Withdrawal by Source (m³)



Effluent Produced (m³)



Total Water Consumption (m³)



In 2023, the water consumption intensity (i.e., the total volume of water withdrawn per tonne of fabric sold (m³/t)) decreased by 3% compared to 2022.

Riopele has made significant advancements in water management and automation, monitoring water consumption, and optimising production processes. The company has focused on renewing its machinery fleet, investing in industrial equipment that enables more efficient water use through shorter bath ratios. Additionally, the recovery of industrial effluents and rainwater harvesting have been key priorities for Riopele. The company's facilities are equipped with a water treatment and wastewater pre-treatment station, using advanced technologies to ensure proper treatment and safe return of all process water to the water cycle. The dyeing, finishing, and washing activities take place at the A hub. Accommodating the most water-intensive activities, this unit uses 85% of the water withdrawn and 100% of the water recovered by Riopele. Effluent recovery is achieved through the direct reuse of cooling water and the recycling of water from production processes.



The effluent recovery project at Riopele began in 2000, allowing for the recovery of 8.8 million cubic metres of effluents by 2023. In recent years, Riopele has maintained an internal effluent recovery rate slightly above 50%. In 2023, the company avoided the withdrawal of 378,408 cubic metres of water.

Ø ZDHC

As part of its responsible effluent management, Riopelle has voluntarily adhered to the ZDHC Wastewater Guidelines. This commitment enhances stakeholder confidence in environmental practices, fostering collaboration and communication throughout our value chain.

Additionally, regarding the health of the River Pele, which is of utmost importance to the company, Riopelle has a dedicated team that regularly monitors the quality of the river water both upstream and downstream of the company's facilities. This ensures that water parameters meet appropriate standards to protect the health of the river, its ecosystem, and to mitigate potential impacts of Riopelle's operations on it.

Following the optimisation of water resources in 2023, Riopelle completed the automation project for water withdrawals. This initiative prevents water waste by collecting only the amount of water necessary for the company's activities.

In 2023, within the scope of the PRR-Lusitanos project, pilot stations with different technologies were set up to assess the feasibility of enhancing effluent recovery. Various tests and characterisations of the effluent have been conducted, and the project is currently in the phase of analysing the analytical results and studying the best technologies to be implemented.

Also in 2023, in line with the goal of reducing water dependency, laboratory tests were conducted on effluent streams from production processes. The results obtained from certain streams were satisfactory, leading to the selection of new streams for recycling.

Lastly, the establishment of a new water supply line for production processes and the acquisition of a new washing machine in Finishing will contribute to optimising water management. Riopelle has developed the 'Cada Gota de Água Conta' (Each Drop Counts) project, which highlights the value of this resource for the company and its value chain. This project involves extensive awareness-raising across the entire value chain, including employees, suppliers, and customers, regarding the importance of a responsible attitude towards the planet. In this context, every drop contributes to making the River Pele a sustainable development course that Riopelle takes pride in!



Each
Drop
Counts

EACH DROP COUNTS!
Our commitment to the planet!

Riopelle
SINCE 1927

3.3. WASTE MANAGEMENT AND CIRCULARITY — — — — —

GRI 306 (2020)

Riopele is committed to reducing the amount of waste it generates, promoting circularity practices, and ensuring the reuse of all discarded materials. To this end, implementing advanced technologies throughout the production process is crucial, as well as investing in support activities (e.g., maintenance) that help minimise material waste. Whenever possible, this waste is converted into by-products and reintroduced into the production process.



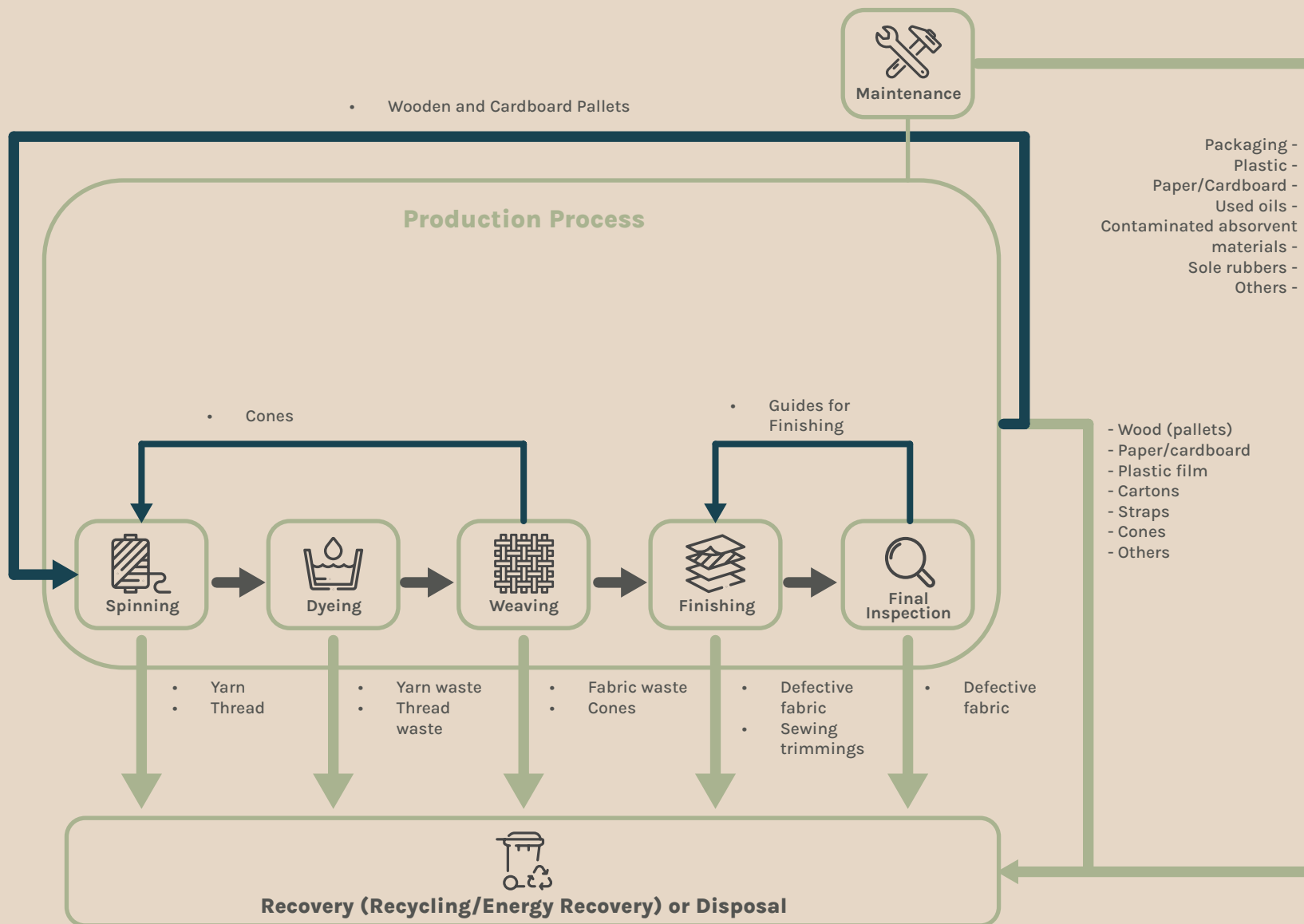
By 2027, achieving 100% use of our textile waste through recycling and reclassification.

As part of its purchasing practices, the company seeks to acquire reusable products and equipment throughout its operations, from yarn cones to the packaging used for storing and transporting materials and products. When a waste material cannot be recycled or repurposed, Riopele prioritises energy recovery over disposal (landfilling).

Selective waste collection equipment has been set up across all areas of the company, and employees participate in training and awareness programmes on the importance of proper waste separation.

Riopele is committed to overcoming the challenges associated with recycling (only 1% of post-consumer textiles are currently recycled into new garments) and is working on various partnerships with different fibre manufacturers and technology centres to advance the chemical recycling of modified cellulosic fibres.

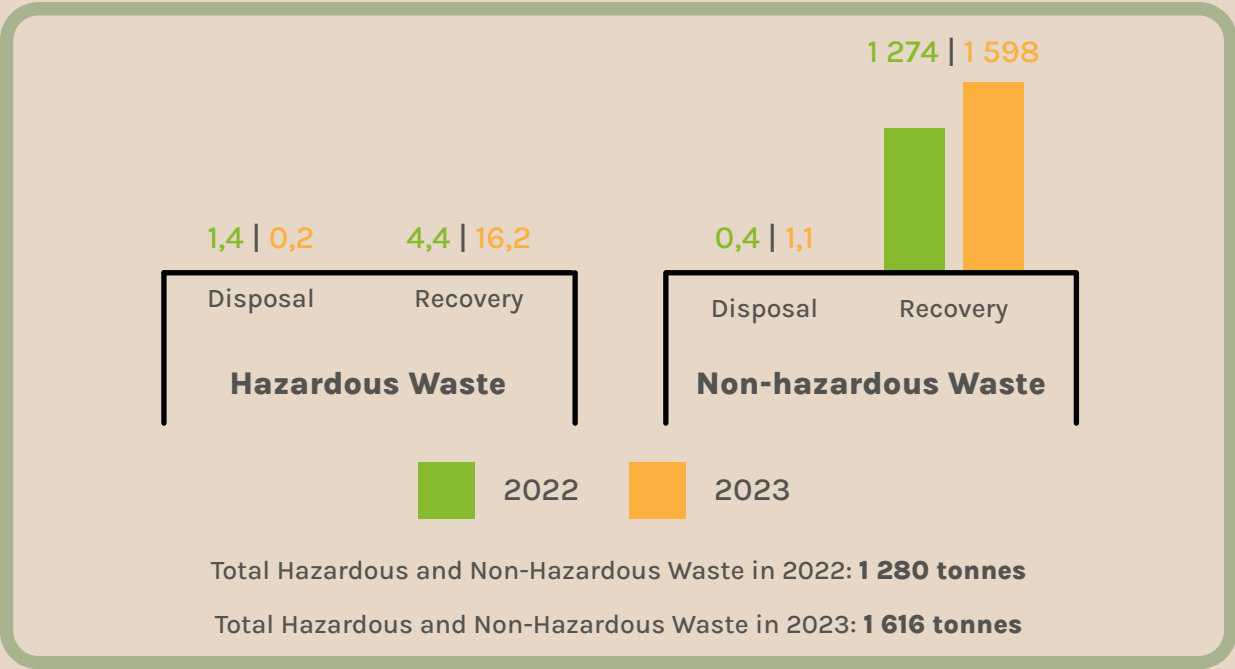
Some of the fabrics rejected during final inspection are repurposed as guides for use in finishing processes, while yarn cones from weaving are returned to spinning for reuse. Additionally, wooden and cardboard pallets from raw material purchases and internal processes are reused in the spinning process. The following diagram illustrates the flow of the main waste generated in Riopele's processes.



In terms of waste quantification, Riopelle produced approximately 1,616 tonnes in 2023, an increase of 336 tonnes compared to 2022. Of this total, 99.9% (both hazardous and non-hazardous) is directed towards recovery, maintaining the trend of previous years. Concerning hazardousness, 99.0% of the waste is non-hazardous, consistent with the percentage from 2022.

In terms of the types of waste generated in operations, hazardous waste primarily consists of packaging (53%) and contaminated absorbent materials (25%). With regard to non-hazardous waste, the main categories are: textile waste (47%), ashes, slags, and boiler dust (22%), paper and cardboard packaging (11%), wooden packaging (6%), and plastic packaging (5%), among others.

Waste Generated by Destination and Hazardousness (tonnes)



As part of the circular economy, Riopelle is involved in the BE@T project under the circularity pillar. This project aims to promote the reuse of fibers (both pre-consumer and post-consumer) by integrating optimised recycling methods into the production process. By doing so, we contribute to accelerating the climate transition towards decarbonisation and reducing the pressure on the use of natural resources through circular economy models.

The textile sector is facing numerous challenges, with energy and climate change being among the most significant. To address these challenges, Riopelle is committed to reducing the climate impact of its activities by investing in energy efficiency across its processes and operations, focusing on the decarbonisation of its activities, and promoting a greener supply chain that adheres to more sustainable practices. Reducing the company’s energy consumption and direct and indirect greenhouse gas emissions can only be achieved through the active participation of the entire value chain.

Similar to previous years, Riopelle monitored its Carbon Footprint for the 2023 activity data. In addition, the company developed a decarbonisation roadmap, which supports its commitment to achieve operational carbon neutrality by 2027. This roadmap focuses on five key areas of action:

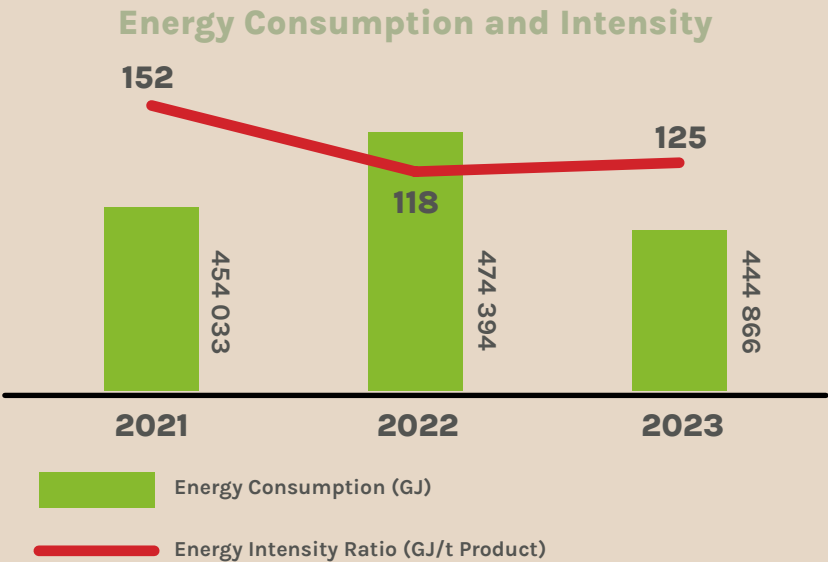


ENERGY MANAGEMENT:

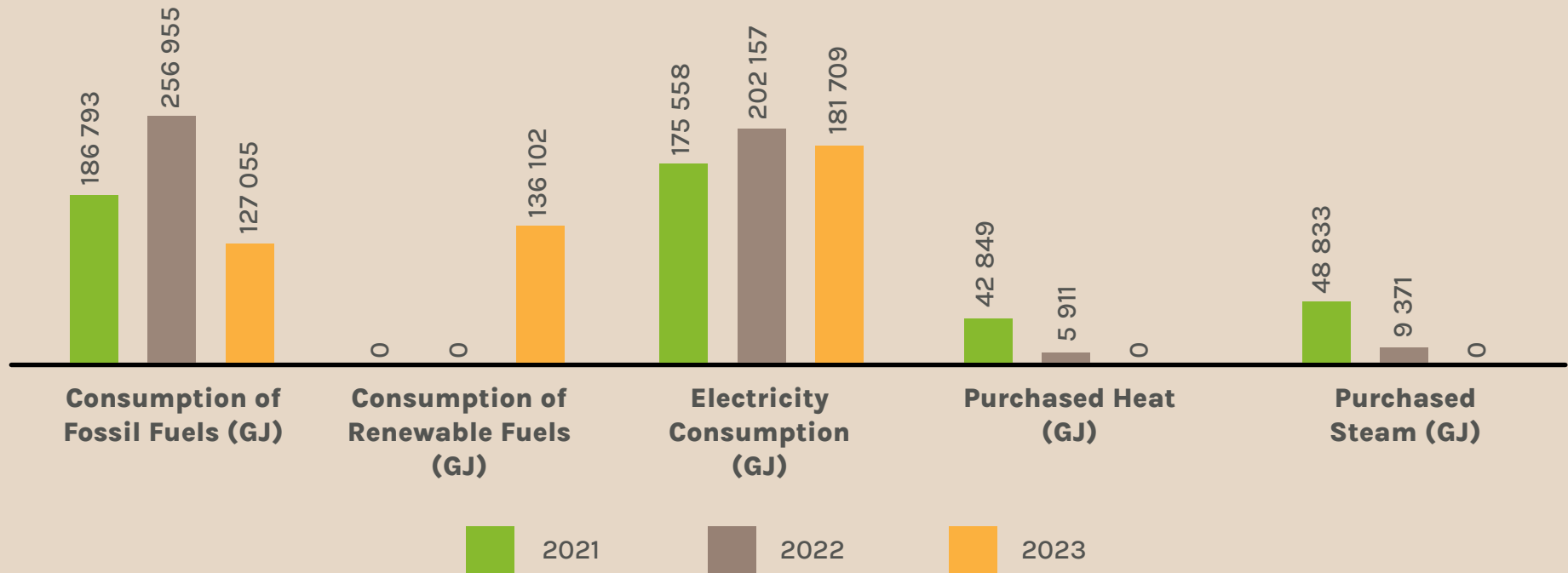
Riopelle continuously monitors its energy consumption, always focusing on minimising it. This includes researching alternative and more eco-friendly energy sources.

In 2023, energy consumption decreased by approximately 6% compared to 2022. This reduction is partly due to decreased production activity and partly due to measures related to energy efficiency.

As a result of the decrease in production activity, despite the reduction in overall energy consumption, energy intensity increased slightly from 2022 to 2023.



Energy Consumption at Riopele

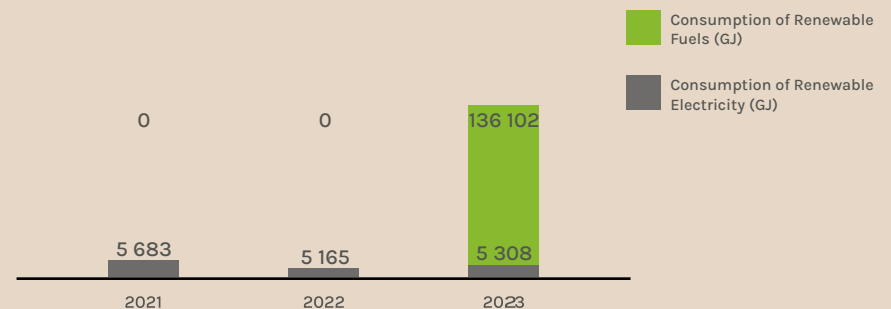


The consumption of fossil fuels decreased by approximately 51%, primarily due to the integration and commissioning of Riopele's biomass boiler, which has replaced the use of natural gas. In terms of fossil fuels consumed, such as diesel, gasoline, or LPG and butane, these account for about 2% of Riopele's fossil fuel needs, with the remaining percentage being related to natural gas consumption.

Electricity consumption decreased by approximately 10% in 2023 compared to 2022. In 2023, Riopele did not purchase any heat or steam.

Riopele generates renewable electricity for self-consumption through photovoltaic panels, accounting for approximately 3% of the electricity consumed in 2023 (the same as in 2022). This represents a production of 5,308 GJ in 2023.

Consumption of Renewable Energy (GJ)



Currently, the company operates a photovoltaic plant with an installed capacity of 1 MW, consisting of 3,000 photovoltaic modules. In the second half of 2023, the construction of a second solar plant began, with a production capacity of approximately 4.7 MW. As part of the Recovery and Resilience Plan (PRR), Riopelle has developed a decarbonisation programme, which, as the name suggests, aims to decarbonise the textile industry. In this regard, Riopelle plans to replace 70% of natural gas (NG) with residual forest biomass.



Riopelle is focused on optimising and reducing energy consumption as well as mitigating the impact of energy use by investing in greener energy sources. In this context, a key priority is investing in a rational and sustainable energy model. These actions focus on energy efficiency measures and/or decarbonisation of activities, namely:



Installation of compressor management systems.



Implementation of more efficient lighting systems.



Installation of variable frequency drives on electric motors.



Implementation of controls for heating, ventilation, and air conditioning (HVAC) systems.



Installation of electric vehicle charging stations.



Use of thermal energy from cogeneration, in the form of steam and hot water.

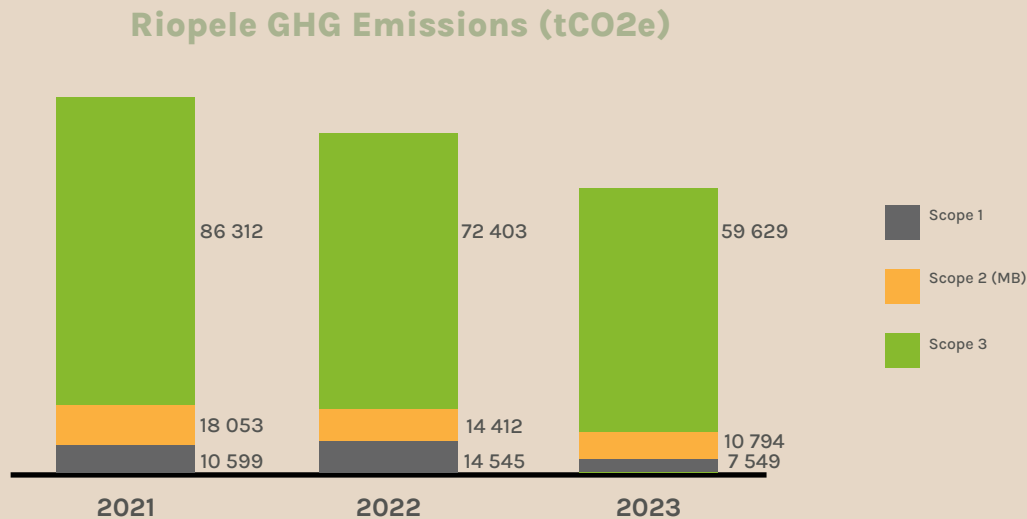


Gradual replacement of the fleet and auxiliary equipment with electric vehicles.

CARBON FOOTPRINT:

Given the significant responsibility of the textile sector regarding greenhouse gas (GHG) emissions, Riopelle is focused on reducing its Carbon Footprint and is committed to the goals established by the Paris Agreement. The company aims to exceed these goals through its commitment to achieving operational carbon neutrality (Scope 1+2) by 2027. Additionally, Riopelle has committed to submitting a Science-Based Target (a GHG reduction goal aligned with scientific recommendations and validated by the Science Based Targets initiative, SBTi) during 2024.

Riopelle's Carbon Footprint is calculated in accordance with the GHG Protocol, an internationally recognised methodology. This annual calculation allows the company to understand which activities are responsible for higher or lower quantities of GHG emissions. Subsequently, a concrete action plan can be implemented to achieve significant results in reducing GHG emissions. This decarbonisation plan, as mentioned above, has been developed by Riopelle.



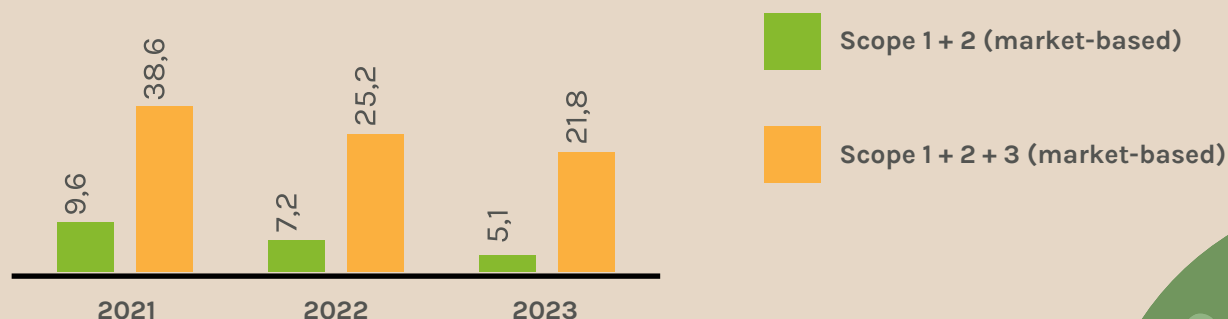
In 2023, Riopelle emitted 77,971 tCO₂e (Scopes 1, 2, and 3), with direct emissions (Scope 1) representing approximately 10%, indirect emissions (Scope 2 – Market-based approach) around 14%, and other indirect emissions (Scope 3) about 76%. Compared to 2022, there was a reduction of 23,389 tCO₂e, representing a decrease of around 23%. In detail, direct GHG emissions decreased by 48% compared to 2022, primarily due to the introduction of a biomass boiler that significantly replaced the consumption of natural gas. Indirect GHG emissions decreased by approximately 25% for the market-based approach and 29% for the location-based approach. This reduction is mainly attributed to the decreased electricity consumption and the slight increase in electricity production for self-consumption.

7.982 tCO₂e
avoided

The production of renewable electricity through the installed photovoltaic panels enabled Riopelle to avoid emitting 325 tCO₂e into the atmosphere. The combustion of forest-based biomass allowed Riopelle to avoid approximately 7,657 tCO₂e.

Regarding carbon intensity across different GHG emission scopes, a decarbonisation of activities was observed. For carbon intensity in Scope 1+2, there was a reduction of 29%, from 7.2 to 5.1 tCO₂e/t of product. When considering Scope 3 emissions in the ratio, the reduction in intensity was less pronounced, about 13% (from 25.2 to 21.8 tCO₂e/t of product). Riopelle will continue to strive to decarbonise its value chain by increasing energy efficiency and decarbonising its activities, as well as engaging its value chain partners and suppliers. Riopelle focuses on using and incorporating more environmentally friendly raw materials and developing eco-design practices that will promote the decarbonisation of its carbon footprint.

Total GHG Emissions Intensity (tCO₂e/t product)





04. SOCIAL RESPONSABILITY

As part of its vision and commitment to social responsibility, Riopete takes an active role in promoting the well-being and health of its employees. Riopete strives to provide a work environment that fosters respect and personal and professional development, as well as dignified and rewarding working conditions, with a focus on attracting and retaining talent within the company.

At Riopete, we believe that by caring for the well-being and growth of our employees, we contribute to a more responsible and sustainable corporate culture.

Furthermore, at Riopete, social responsibility is not limited to isolated actions but is intrinsic to our identity and the way we conduct our business. Through a comprehensive approach, Riopete seeks to establish strong ties with local communities, encompassing various areas of interest such as education, culture, entrepreneurship, sports, and support for social causes. This approach aligns with the belief that creating a culture of social responsibility requires not only words but genuine commitment and concrete actions. As a whole, Riopete aims to build a path that goes beyond mere statements, focusing on creating a lasting and positive impact that reflects the values we uphold as a responsible and conscientious company in society.

OUR PEOPLE

GRI 2-7 | GRI 405

The success of Riopete is intrinsically linked to the people who are part of the organisation. The workforce is not only the engine driving its operations but also the driving force behind its vision of sustainability and social responsibility.

	Employees	Permanent Contracts	Full-time Contracts	Leadership Positions Held by Women
	1.139	89%	100%	42%

At the end of 2023, Riopelle employed 1,139 permanent staff and 125 temporary staff. The average age of the workforce was 42 years, with an average tenure of 13 years at Riopelle, demonstrating the stability and favourable working conditions provided to employees. Over the years, there has been a growth in the total number of employees.

Riopelle Workforce by Contract Type	2021	2022	2023
Permanent contract	987	990	1.014
Temporary contract	111	151	125
Total	1.098	1.141	1.139

In 2023, broken down by gender, approximately 62% of employees are male and 38% are female. In leadership positions, 42% are held by female employees.

Riopelle Employees by Gender and Age Group (n°)










Age Group	Female	Male
< 30	89	163
30 - 50	226	292
> 50	105	264
Total	420	719

The context of the company and its activities, with the operational workforce predominantly organised in shifts and involving positions with high physical demands, which have traditionally been occupied by men, presents some challenges in setting targets for gender parity across various roles.

The predominant age range among Riopelle employees is between 30 and 50 years, representing 46% of the workforce. Approximately 19% of employees are under 30 years old, reflecting Riopelle’s focus on attracting young talent.

Riopelle has been increasing the integration of employees from various nationalities, with eight nationalities represented in the company. In 2023, Riopelle reaffirmed its commitment to equality by conducting awareness workshops and a series of intercultural meetings with employees from different nationalities. These events highlighted the importance of gender equality and the celebration of cultural diversity, aiming to foster an environment of mutual respect and unity among employees from diverse backgrounds.

Regarding the nationality of the employees, and given that all of the company’s facilities are located in Portugal, approximately 94% of the workforce holds Portuguese nationality, with the remainder comprising employees of other nationalities.

			
Portuguese	Brazilian	Indian	Mozambican
			
1077	51	3	3
Ukrainian	Venezuelan	Mexican	Pakistani
			
1	1	2	1

With a legacy spanning 96 years and a steadfast commitment to attracting and retaining young talent, Riopelle currently employs a team of approximately 1,000 professionals. Our mission is to create an environment that fosters the development of meaningful career paths, providing good working conditions, both external and internal training opportunities, as well as fair compensation and benefits for employees.

At Riopelle, we aim to value the role of every individual, regardless of their position. To this end, we have established a continuous development programme for our human resources, known as the “Horizontes Programme”.

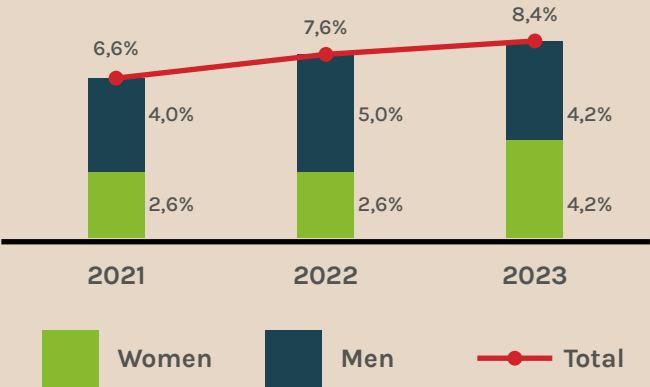
Regarding the Recruitment and Selection Policy, in a year of ‘full employment’ and economic recovery, Riopelle enhanced its attractiveness with a 40% increase in applications received through the website compared to the same period in the previous year. For the second consecutive year, Riopelle was recognised in the Randstad 2023 Employer Brand study as the most attractive company to work for in the textile and apparel sector.



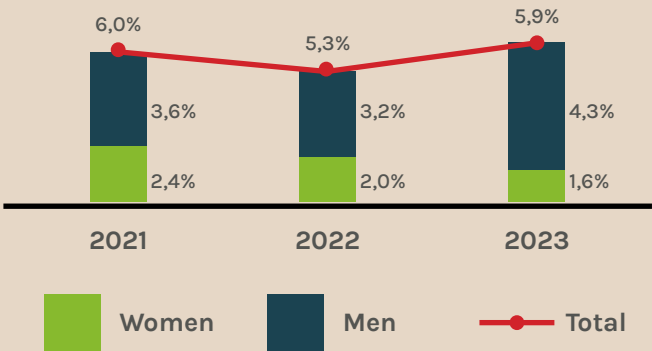
In 2023, Riopelle was once again recognised by Randstad Employer Brand Research as the most attractive textile company to work for in Portugal.

Over the past three years, Riopelle has increased its number of hires, from 66 employees in 2021 to 75 in 2022 and 84 in 2023, showing a consistent and growing hiring rate throughout this period. In 2023, 50% of the new hires were female, with the majority of hires targeting individuals under 30 years of age. In absolute terms, 2023 saw a rise in female hires, aligning with the company's gender equality policy.

Hiring Rate (%)



Turnover Rate (%)

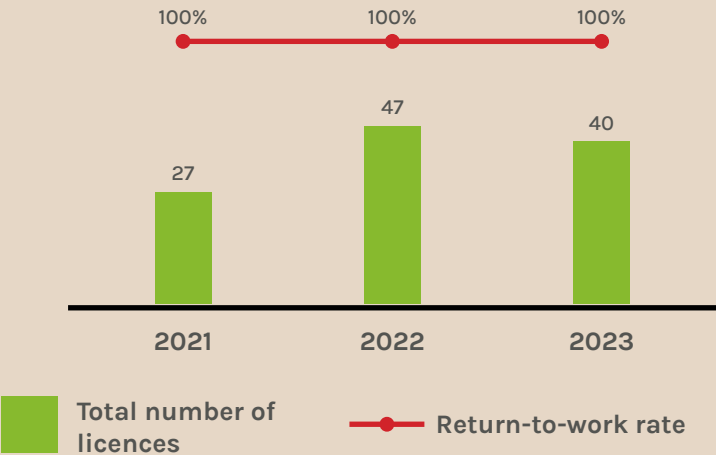


On the other hand, the turnover rate has remained steady, fluctuating between 5% and 6%; these figures are consistently lower than the hiring rates.

In absolute terms, departures decreased from 60 in 2021 to 52 in 2022, and then rose again to 59 in 2023. In 2023, the age group most affected by employee departures was those under 30 years old.

Each year, several employees at Riopelle take maternity/paternity leave. Riopelle not only ensures that the legal rights of these employees are respected but also offers additional attractive benefits for those looking to start a family, such as a subsidy for child care until the age of six. The high retention and return rates that Riopelle has recorded are evidence of these commitments. The return-to-work rate after leave was 100% from 2021 to 2023.

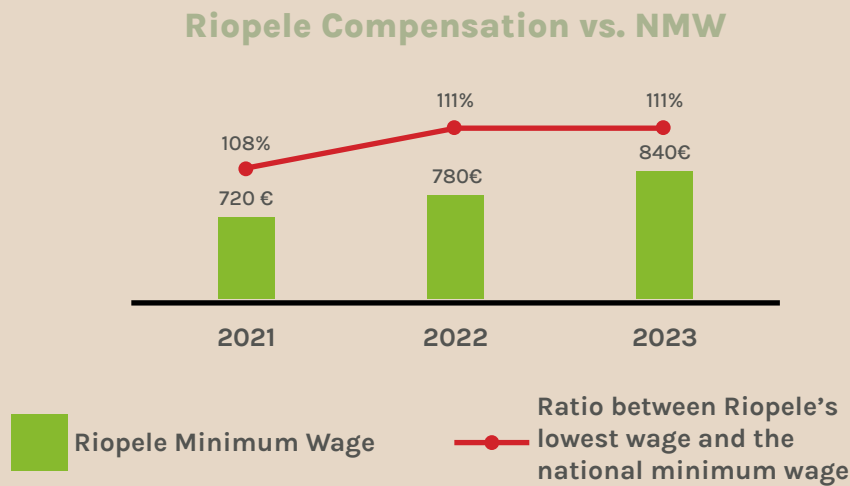
Maternity/Paternity Licences



Riopele conducts an annual Organisational Climate and Psychosocial Factors Assessment Survey. In 2023, the survey was administered digitally to all employees, with 730 responses received, representing a response rate of approximately 66%. The overall satisfaction score was 2.98 (on a scale of 1 to 4). The feedback provided by employees in these surveys is crucial for identifying areas for improvement within the organisation, as well as for conveying recognition for the most positive aspects to those responsible.

COMPENSATION AND WORKING HOURS:

Riopele ensures the payment of salaries, strict adherence to the established working hours, and adequate compensation for overtime, in accordance with applicable legislation. The company’s salary and benefits policy is based on employee performance, grounded in criteria defined in their performance evaluations.



Riopele strives to provide its employees with a dignified and competitive salary, with a company policy aimed at implementing positive discrimination relative to the national minimum wage (NMW). This means that employees earning the lowest salary tier at the company receive a wage above the NMW, which is adjusted if there are increases in the NMW, ensuring it remains consistently above it, typically between 8% and 11% higher (comparison of Riopele’s minimum salary with the national minimum wage as of 31/12 of the respective years). The company’s remuneration policy also provides for a variable pay component for intermediate and senior salary tiers, contingent on the achievement of the company’s annual objectives.

Additionally, Riopete provides other benefits to employees, such as life insurance for all staff, curative medical services, and two periods of 4 hours each per month for medical consultations. Employees also have access to a wide range of partnerships with services in the areas of health, education, hospitality, and more.

In terms of compensation and benefits, due to the overall positive results, the following initiatives have been implemented to improve the economic and social conditions of employees:

Update of the meal allowance for all employees;

Implementation of a performance bonus for the management and leadership team, based on the 2022 results;

Adjustment of the base monthly salary for employees, which, when below, was increased to € 840, maintaining a difference of € 20 above the national minimum wage;

‘Riopete Christmas Basket’, an ongoing initiative consisting of a shopping voucher for a company in the retail sector, provided to all employees of the Riopete Group, regardless of their employment contract type;

In this context, the company continues to provide all its employees with a non-contributory life insurance policy, which offers a benefit of € 20,000 in the event of death or total and permanent disability due to an accident.

In addition to the aforementioned benefits, and as part of its Social Responsibility Policy, Riopete held its first ‘Riopete Family Day’ event in October 2023. This event provided a special day for employees and their families, featuring open tours, fun activities, and engaging experiences designed specifically for children, all aimed at instilling the identity and values of Riopete. Approximately 500 people attended the event, highlighting the importance employees place on this initiative.

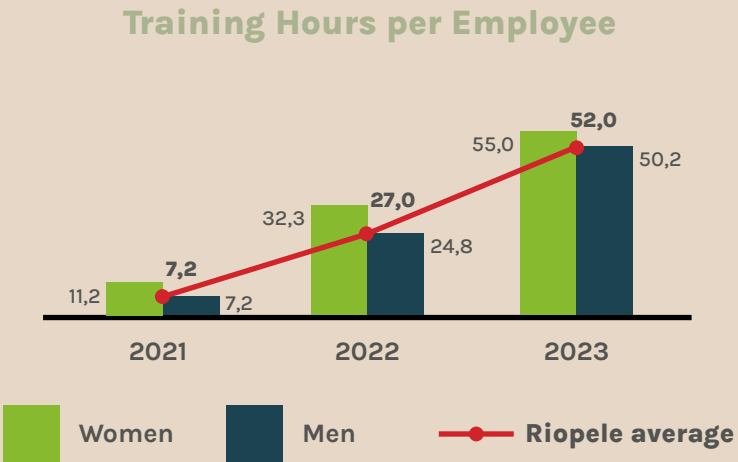
INTERNSHIP PROGRAMMES:

Riopele values internship programmes, recognising their importance in integrating young people into the job market and creating employment opportunities. The company establishes protocols with educational institutions and participates in government programmes, conducting internships across all areas of its business. These curricular internships allow young people to gain professional experience and apply the knowledge acquired in school or university, fostering their development, while enabling Riopele to assess their skills, potential, and alignment with the company’s values, with the possibility of integrating them into full-time positions upon completion of their internships. All interns at Riopele receive a monthly internship stipend. In 2023, the company welcomed 13 new professional interns, along with 21 curricular internships and 6 short-term internships across various sectors of the company.

4.2. TRAINING AND CAREER DEVELOPMENT — — — — — GRI 404

As one of Riopele’s strategic pillars is a focus on People, in 2023, the company’s strategic objectives aimed to continue the Development and Training of its Human Resources, with a particular emphasis on the second and third management tiers. The goal is to be a benchmark company in motivating its employees, with low absenteeism and turnover rates.

For Riopele, investing in competitive factors is not possible without considering human capital, including its training and development. In this regard, Riopele values the role of each employee, regardless of their position. After a period of reduced training volume in 2020 and 2021 due to constraints related to the COVID-19 pandemic, Riopele significantly increased the training and development of its employees in 2023, nearly doubling the training hours per employee compared to 2022.

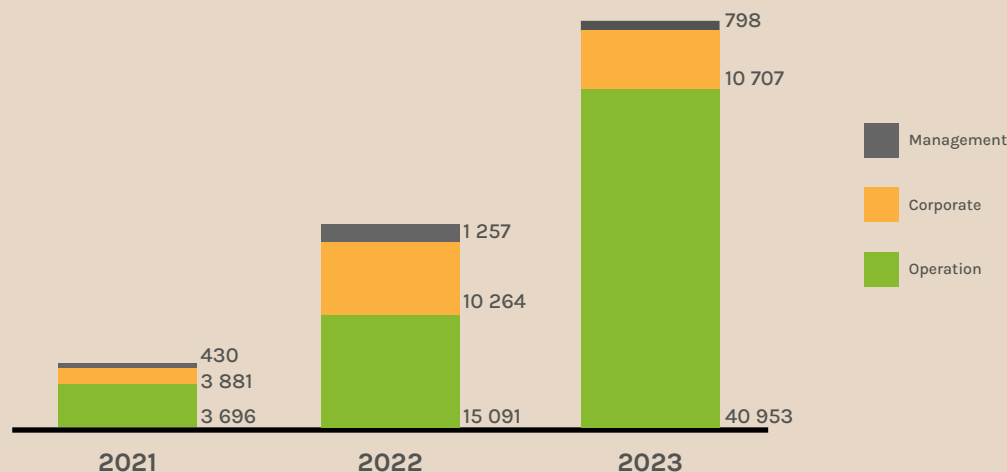


**+ 50.000 hours
of training**

In 2023, the volume of training exceeded 50,000 hours, an extraordinary result that allowed Riopelle to train 86% of its employees in various topics crucial for business growth, such as Sustainability, Product Innovation, and Industry 4.0/Digitalisation.

To achieve this substantial volume of training, we relied on the collaboration of approximately 40 in-house trainers. Around 86% of Riopelle's employees participated in training activities.

Training Hours by Functional Category



Riopelle outlines personalised development plans for its employees and periodically evaluates their performance. In 2023, 97% of Riopelle employees underwent a performance evaluation. Using the RPeople+ tool, all Riopelle employees were assessed regarding their development in 2023 (with the exception of those who had been absent for more than 3 months). The performance evaluation tool aims to encourage feedback sharing between the appraiser and the employee regarding the competencies to be developed in the following year and the assessment of individual performance throughout the past year. Development plans are created for each employee and are reviewed and adjusted based on the needs identified during these evaluations.

At Riopelle, we use business tools that enhance people management, specifically through performance evaluation, skills development, and talent retention, as part of the RPeople+ project.

Riopele provides and promotes employee participation in external training activities, conferences, and other initiatives, as well as in internal training through the Horizontes Programme. In 2023, this programme was enhanced by the continuation of the COMPETE 2020 project, targeted at the Textile Cluster, resulting in a total of 71,157 training hours from January 2022 to June 2023.



The Horizontes Program includes a set of activities, among which the following stand out:

- Product, Process, and Control Workshop - training on Riopele's operations aimed at all employees.
- Executive Management Training Programmes.
- Personal and Team Development Programmes.

As part of this programme, Riopele's management provided 66 employees with the opportunity to attend an executive training programme, designed and delivered in collaboration with Porto Business School, called 'EMPOWER MANAGEMENT'. The target audience for this programme included directors, managers, and second-line managers, aiming to promote the impact of Riopele's strategic reorganisation.

Focusing on leadership and management, the programme emphasised the sharing of knowledge on cross-functional management topics, as well as a strong component of leadership and team management, to enhance collaboration, alignment, and achievement of business objectives.

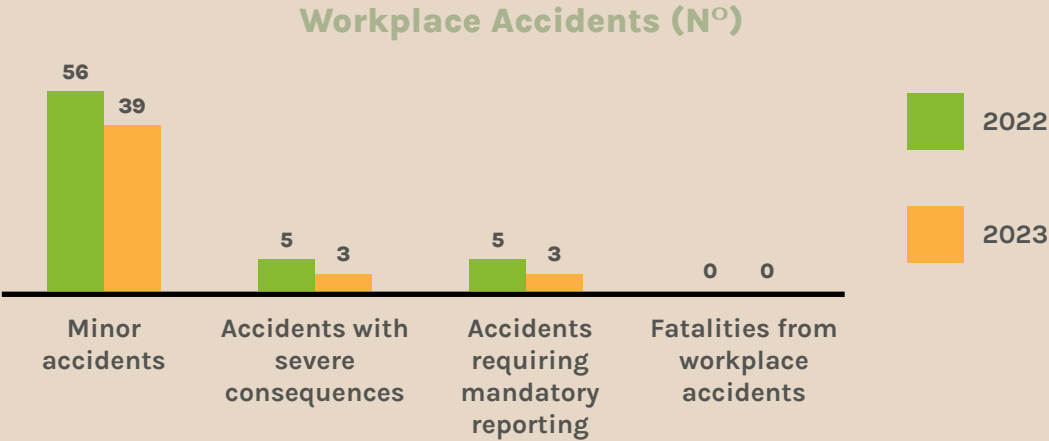


As part of its commitment to a more sustainable textile future, Riopelle recognises that occupational health and safety are key pillars for protecting its employees and strengthening its path towards a healthier and more responsible work environment.

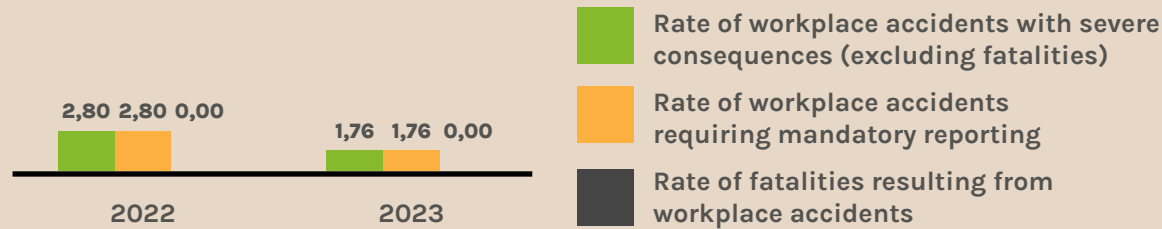
The company prioritises the safety of its employees and fosters a culture of accident prevention and risk mitigation through training and awareness initiatives. All machines and facilities are compliant with current legislation, and employees are provided with appropriate personal protective equipment for their roles. All employees are required to adhere to internal health and safety practices and to report any accidents, failures, or unsafe conditions.

Riopelle has an internal Occupational Health and Safety Management System (OHSMS) supported by a team of OHS technicians, occupational nurses, occupational doctors, and curative medicine doctors, thereby meeting current legal requirements. This system is certified under ISO 45001:2018 for Occupational Health and Safety Management Systems.

Regarding workplace accidents, there was a reduction from 61 accidents in 2022 to 42 in 2023. Similarly, incidents with severe consequences and their reporting also decreased, from 5 in 2022 to 3 in 2023. Notably, Riopelle continues to report no fatalities resulting from workplace accidents. In 2023, concerning accidents involving service providers, only 14 minor accidents were recorded. The most frequent minor accidents were related to excessive effort or poor posture and/or repetitive movements (10 occurrences), bumps and cuts with tools (9 occurrences), and pinches or crushes by or between objects (7 occurrences).



Workplace Accident Rates



Regarding accident rates, including the Frequency Rate (FR) and Severity Rate (SR), Riopelle achieved positive results in 2023. Both the FR and SR were rated as ‘Very Good’ according to the International Labour Organisation (ILO) scale. To continue progressing in terms of safety, the targets for 2024 have been reviewed, with the objective being elevated from ‘Good’ to ‘Very Good’.

According to the GRI framework formulas, the rate of workplace accidents with severe consequences and the rate of workplace accidents requiring mandatory reporting were both 1.76 accidents per 1,000,000 hours worked.

Within the framework of Riopelle’s Occupational Safety and Health (OSH) risk management strategy, the hazards leading to these accidents were identified. To mitigate risks, Riopelle has strengthened awareness of best practices in safety and health at work and promoted proper organisation and storage of materials at workstations. Safety instructions were reviewed, and their dissemination was enhanced. Accordingly, Riopelle has reinforced and implemented several hazard elimination and risk reduction measures, including:



- Implementation of a crane for mechanical handling of loads;
- Delimitation of circulation routes for vehicles and pedestrians;
- Creation of new safety instructions;
- Training for workers on working at heights;
- Training for workers on operating elevated platforms;
- Training on the management and handling of chemical products;
- Dissemination of Quality, Environment, and Safety (QES) meeting minutes;
- Replacement of knives and utility knives with safety knives;
- Implementation of cut-resistant gloves for handling parts.

In terms of health, Riopelle has restructured its occupational health team, introducing a younger team focused more on health promotion, and has introduced psychological services to enhance the mental health of its employees. Additionally, Riopelle monitors certain information related to health support provided to employees.



As part of the European Safety and Health at Work Week, Riopelle organised activities aimed at promoting well-being and raising awareness about the importance of active and participatory management of workplace safety and health. These comprehensive and innovative initiatives included access to nutrition and mindfulness workshops, sensory laboratories, on-site physical exercises, and simulated first aid and fire prevention practices. Approximately three hundred employees participated voluntarily in these activities.

DIVERSITY, EQUAL OPPORTUNITIES, AND NON-DISCRIMINATION

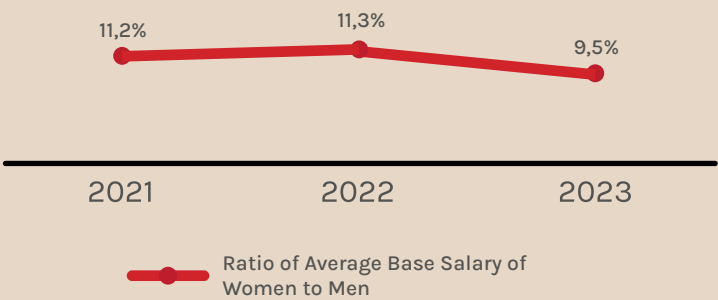
GRI 405 | GRI 406

Riopelle ensures equal opportunities and treatment in terms of access to employment, training, career development, and working conditions. The company promotes social dialogue with employees and the union committee to ensure freedom and respect for workers’ rights. Riopelle rejects any discriminatory practices based on race, gender, religion, age, nationality, sexual orientation, political or ideological beliefs, which could, in any way, undermine the personal and professional integrity of its employees.

Riopelle has over 1,000 employees and values diversity and equal opportunities. In 2023, approximately 42% of leadership positions are held by women. This inclusive approach fosters balanced and enriching representation at all levels of the organisation.

In terms of salary, Riopelle has made efforts to reduce the gender pay gap between female and male employees. This trend is confirmed by the decreasing gap since 2016 and is evidenced in the last three years, as shown in the graph. Additionally, this disparity is mainly justified by the fact that night shift workers represent 22% of the male workforce and receive a higher average salary due to compensation for nighttime hours.

Ratio of Average Base Salary by Gender



In response to Normative Order No. 18/2019, of 21 June, which mandates the creation of a guideline for the preparation of annual equality plans, Riopelle has developed its Equality Plan. This plan aims to ensure effective equality of treatment and opportunities between female and male employees. As part of this plan, Riopelle will implement various measures across seven dimensions:

RIOPELE EQUALITY PLAN

	Strategy, mission, and values	Strengthen training initiatives on the principles of the Code of Ethics and Conduct, publish guidelines on the company's internal and external training channels, participate in the implementation of the Municipal Equality and Non-Discrimination Plan, and introduce a more flexible work regime.
	Equality in access to employment	To promote the integration of people with disabilities, partnerships will be established with institutions that support the integration of individuals with disabilities, and the accessibility of our facilities will be assessed.
	Initial and ongoing training	Ensure that the Annual Training Plan meets the needs of the company and teams without gender bias, prioritising training sessions during working hours and promoting training on topics of equality, diversity, and inclusion.
	Equality in working conditions	Riopele promotes the principle of equality and non-discrimination in the appointment of employees to leadership positions or decision-making bodies, encouraging the development of female employees identified as having potential for these roles. The company will annually analyse the pay gap between men and women, setting action plans to correct it until it is eliminated.
	Parental protection	In addition to complying with current legislation, Riopele will enhance the availability of parental protection information through its digital channels and will provide a childbirth kit to its employees by 2024.
	Work-Life balance	The company will expand its network of partnerships and proximity services according to the needs raised by employees and implement a more flexible work arrangement.
	Prevention of workplace harassment practices	Riopele will enhance the communication of procedures to be followed in cases of harassment, offenses against physical and moral integrity, discriminatory acts, and inappropriate practices in general. The company will gradually train all employees on the principles of harassment prevention.

Riopele will monitor and oversee the implementation of the plan, checking whether the defined measures are being put into practice and whether the objectives are being achieved. The company will periodically track indicators established for each dimension of the plan.

To reaffirm its commitment to equality, Riopele held a workshop on equality and an Intercultural Meeting on 25 and 26 October, 2023. The workshop aimed to enhance knowledge and skills related to gender equality and raise awareness about gender-based violence, fostering the exchange of opinions and ideas to improve the work and social environment within the organisation. The intercultural meeting, involving employees from various nationalities, was designed to share experiences and celebrate the richness of cultural diversity present in Riopele’s workforce today.

4.5. HUMAN RIGHTS — — — — — GRI 406

At Riopele, we are committed to the values outlined by the United Nations in the Universal Declaration of Human Rights, as well as the fundamental principles and rights established by the International Labour Organisation. We operate ethically with integrity, respecting human rights and the dignity of individuals.

As demonstrated in its Code of Conduct, Riopele upholds respect for human rights, the prohibition of child labour and forced (or equivalent to slave) labour, as well as practices of harassment. The company not only aims to implement respect for these practices in its activities but also seeks to ensure compliance throughout its supply chain by requiring the signing and commitment to practices that align with and enforce the Code of Conduct.

WORK ENVIRONMENT FREE FROM HARASSMENT AND DISCRIMINATION:

At Riopelle, we actively promote awareness and education among employees to maintain a work environment free from any form of harassment. This applies to hierarchical relationships as well as interactions among colleagues. We do not tolerate any behaviours that could constitute coercion, including moral and sexual harassment. Any discriminatory practices based on race, gender, religion, age, nationality, sexual orientation, or political or ideological beliefs are rejected. Riopelle is committed to upholding the dignity of each individual, and we do not permit any discriminatory practices that could undermine the personal and professional integrity of our employees.

CHILD LABOUR AND FORCED LABOUR:


Riopelle fully complies with national legislation and international principles, rejecting all forms of child labour. In line with the United Nations Convention on the Rights of the Child, which defines a 'child' as anyone under the age of 18, the company does not hire individuals below this age. Furthermore, Riopelle strictly prohibits any form of forced labour, whether it is imposed through threats or any form of coercion. We do not tolerate any behaviours that could be characterised as coercion, including harassment in all its forms or bullying, under any circumstances.

OUR EMPLOYEES' COMMITMENT TO A HEALTHY WORK ENVIRONMENT:

At Riopelle, employees are committed to avoiding any form of harassment in the workplace. Additionally, those with hierarchical responsibilities are encouraged to foster and maintain a healthy work environment, both in hierarchical relationships and among colleagues under their supervision. Collaboration and teamwork are highly valued, with the aim of creating a preventative work environment where harassment situations are avoided. Riopelle promotes employee participation in awareness campaigns and training sessions addressing workplace harassment, aiming to increase awareness and provide the necessary tools to prevent and manage such situations.

The company actively encourages employees to report any instances of workplace harassment of which they are either victims or witnesses. We believe that it is everyone's responsibility to create a safe and respectful work environment. Riopelle is committed to ensuring that its employees are treated with dignity and that the workplace is free from harassment, thus fostering a culture of respect and well-being.

At the core of Riopеле’s vision is the belief that the success of a business should be accompanied by a positive impact on the communities it serves. This vision guides the company’s social responsibility policy, manifesting through partnerships and investments in institutions and projects that promote well-being and sustainable development. Riopеле considers its role in building a fairer and more sustainable world to be crucial, and it is with this commitment that it actively contributes to social, educational, and cultural causes, while also supporting entrepreneurship and sports - elements that play a crucial role in the inclusion and development of our community.



We have established strong ties with local communities, working in various areas and addressing needs such as education, culture, entrepreneurship, sports, and support for social causes, aiming to maximise our positive impact.

Since creating a culture of social responsibility requires commitment and action, throughout its history, Riopеле has promoted various initiatives. More recently, the company has contributed to community development through:

<p>Provision of football field facilities to Grupo Desportivo de Joane</p>	<p>Provision of infrastructure for start-up projects - made in Cubar</p>	<p>Collaboration with the Padre Benjamim Salgado School Group</p>
		

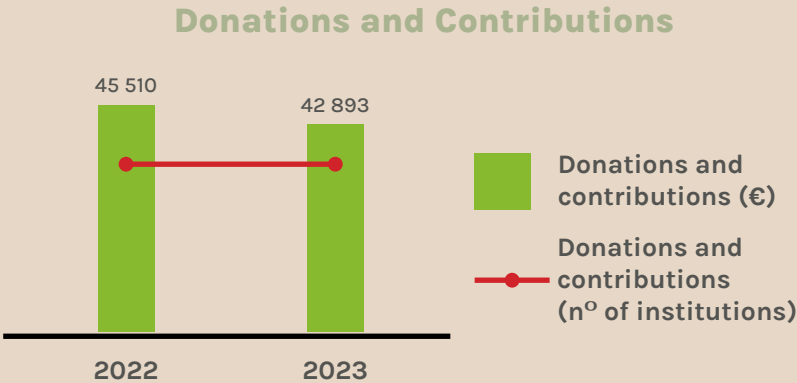
Riopele also supports various institutions of different origins, such as:



Riopele fosters the establishment of partnerships with research centres, universities, and schools, such as CITEVE – Technological Centre of the Textile and Clothing Industries of Portugal, CeNTI – Centre for Nanotechnology and Technical, Functional, and Smart Materials, as well as the aforementioned universities. Additionally, the company has set up a business incubator within its facilities.

In the cultural sphere, Riopele also supports institutions such as the Serralves Foundation, the Battle of Aljubarrota Foundation, and the Cupertino de Miranda Foundation in Vila Nova de Famalicão. It also provides support for various cultural initiatives and events in the local community.

Riopele monitors donations and the number of contributions made annually. In both 2022 and 2023, it supported 7 institutions.



4.7. CUSTOMER SATISFACTION

As mentioned in the section ‘Our Commitments’, Riopelle considers customer satisfaction one of its main priorities, striving to provide high-quality services and products. The company’s Management Manual clearly outlines Riopelle’s strategy and policy, as well as the organisational structure and responsibilities, with the aim of ensuring the satisfaction of customers, employees, and other stakeholders by meeting their needs and expectations.



Riopelle conducts surveys to assess the satisfaction of its customers, with the criteria for sending out these surveys being defined by the managers of each market. Therefore, customer satisfaction with Riopelle’s performance in 2023 was evaluated in the following markets: Germany, Austria, Belgium, Canada, China, South Korea, Denmark, Spain, the United States, France, the Netherlands, Poland, Portugal, Russia, Sweden, and Switzerland.



Since 2018, Riopelle’s customers have consistently reported an overall satisfaction level above 85.0 (on a scale of 0-100). This level of satisfaction provides Riopelle with recognition for the quality and consistency of the service provided to its customers, while acknowledging that there is room for improvement and for making Riopelle an increasingly differentiated market leader.



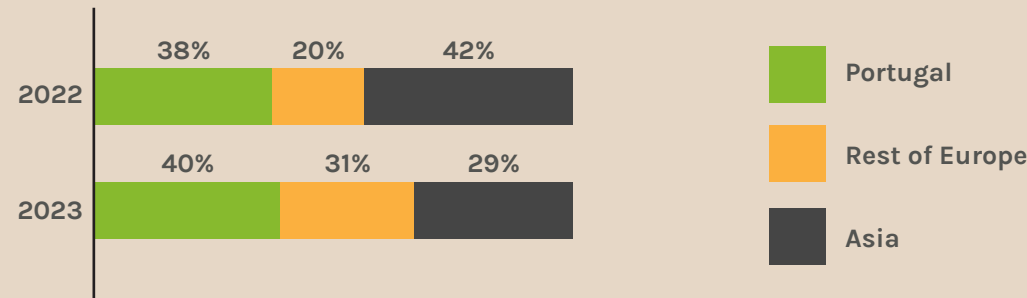
05. ECONOMIC AND GOVERNANCE RESPONSIBILITY

Riopele demonstrates solid governance, characterised by rigor, ethics, and integrity in its actions to ensure responsible business management. Through the Code of Conduct, Riopele formalises its approach to good governance, guides the daily conduct of employees, and influences the behaviour of third parties, fostering increasingly trustworthy relationships.

“Throughout these over 90 years of textile activity, we have always worked with passion, transparency, and sustainability”

The year 2023 represented a historical milestone for Riopele, with a turnover totalling approximately €94 million and positive net results of around €6 million. The company recorded a centralised purchasing volume of about €26 million. The vast majority, around 70%, was acquired in the European continent (an increase of approximately 12%), with Portugal accounting for 40% of the total expenses in raw materials, chemicals, dyes, and packaging materials.

Spending on suppliers by region



Riopele’s Governance Model places a significant emphasis on Risk Management. In this regard, in 2023, the company initiated the development of a Risk Management project, which will result in the creation of a Risk Map and a Business Continuity Plan. The objective of these initiatives is to ensure the best practices concerning their business, particularly in aspects such as its resilience.

Riopele aspires to have a value chain with minimal environmental and social impact, aiming to ensure a sustainable supply chain in the long term. In this regard, Riopele’s suppliers, as one of the company’s key stakeholder groups, play a crucial role in helping the company achieve this ambition. This ambition is reflected in Riopele’s purchasing policy, which is centred on several principles, such as:



To make the value chain more sustainable, Riopele integrates environmental, social, and economic considerations at all stages of supply chain management (in line with its purchasing policy and Code of Ethics and Conduct). The company collaborates with its suppliers and partners to improve business practices concerning sustainability. To ensure alignment across its supply chain, Riopele has implemented a continuous selection and evaluation process for its suppliers.



In addition to the supplier selection and evaluation process described above, Riopelle requires suppliers to commit to its Supplier Code of Conduct. Any violation or misalignment by third parties with Riopelle's ambitions and/or requirements could compromise the relationship between the parties.



In 2023, Riopelle established commercial transactions with 89 suppliers of raw materials, chemicals, and dyes. To date, 60 of these suppliers (67.41%) have submitted the duly signed Commitment Declaration, thereby ensuring their involvement and accountability in this regard. In cases where obtaining a signature for the Supplier Code of Conduct faces resistance, Riopelle reviews whether the Code of Conduct practiced by these suppliers aligns with its own. Additionally, beyond this document, some suppliers are certified in standards that attest to compliance with social responsibility requirements, such as GRS certification.

Additionally, and beyond this document, we have suppliers certified in several standards that ensure compliance with quality, environmental, and social responsibility requirements. Out of a total of 89 suppliers, 51 (57.30%) hold ISO 9001 certification, demonstrating adherence to quality management standards; 22 (24.71%) hold ISO 14001 certification, showing commitment to sustainable environmental practices; 12 (13.48%) hold STeP by Oeko-Tex certification, underscoring compliance with specific sustainability criteria; and 51 (57.30%) hold GRS certification, confirming the verification of recycled products throughout the entire supply chain.

These certifications not only highlight the quality of our suppliers but also reinforce our supply chain's commitment to the best practices in social and environmental responsibility. These standards serve as tangible evidence of our collective effort to promote sustainable and socially responsible production.

All these responsible sourcing practices implemented by Riopelle not only benefit the environment and society but also contribute to operational efficiency, long-term cost reduction, and enhancing the company's reputation. Additionally, Riopelle uses the Higg Index to analyse the sustainability of its supply chain.



This index, developed by the Sustainable Apparel Coalition, allows us to measure the environmental and social sustainability levels of our value chain and compare them with the rest of the textile and apparel industry. Riopelle's participation in this index reflects its commitment to transparency, accountability, and continuous progress in adopting sustainable management practices in its supply chain.

5.2. DIVERSIFICATION, QUALITY, AND ESG IMPACT OF PRODUCTS

Innovation and the pursuit of new products are always present in Riopelle's DNA. Accordingly, Riopelle actively seeks new materials that enable the development of textile fibres.

In its pursuit of innovative and lower-impact materials, Riopelle has begun joint developments with the start-up Spinnova to use a new cellulose fibre produced without harmful chemicals, using minimal water and emissions. The process for spinning this material, which involves a significant engineering component, has been thoroughly studied (the project is still ongoing).

In line with the European Union's strategy for circularity, Riopelle has introduced recycled polyester fibre, made from 50% textile waste and 50% rPET from bottles, as an alternative to the usual production solely from recycled plastic bottles. This initiative aims to increasingly incorporate textile waste into the value chain.

Among other projects, following the work with the customer Filippa K, in collaboration with the textile recycling company Sodra and the fibre manufacturer Lenzing, successful results were achieved with the development and production of a high-quality fabric for a capsule collection. This fabric uses a new cellulose fibre (lyocell) made from recycled textile waste, including: 25% post-industrial cotton waste, 25% Oncemore® cellulose pulp, and 50% certified and responsibly sourced wood pulp. The product resulting from this project is currently available for sale in Filippa K's physical and online stores.

Lastly, regarding projects with new fibres, we have concluded an NDA with HeiQ AeonIQ GmbH. This partnership aims to develop fabrics using the 'climate-positive continuous cellulose filament yarn'- AeonIQ™.

To demonstrate the positive impact of its products and activities, Riopelle presents an extensive list of certifications.



● **PRODUCT CERTIFICATION**

● **BUSINESS CERTIFICATION**

● **OTHER INITIATIVES**



OCS 100

Certification that confirms the cotton used in the product is 100% organic and grown without the use of chemicals.



OCS Blended

Certification that confirms a product contains between 5% and 95% organic cotton.



GRS

Certification that confirms a product contains more than 20% recycled material.



OEKO-TEX® STANDARD 100

Certification that confirms a textile product has been tested and does not contain harmful chemicals.



European Flax
Premium linen fiber

European Flex

Certification that confirms the linen used in the production of a product is grown, spun, and woven in Europe.



Certificação RWS

Certification that confirms a product contains between 5% and 100% wool from protected sheep.



Better Cotton Initiative

Initiative that promotes better standards in cotton cultivation and practices.



Higg Index

A set of tools that allows textile industry companies to measure and improve their environmental and social impacts throughout the value chain.



OEKO-TEX® STeP

Certification that recognises the performance of textile suppliers in ESG (Environmental, Social, and Governance) matters.



ISO 9001

International standard for Quality Management Systems.

ISO 14001

International standard for Environmental Management Systems.

ISO 45001

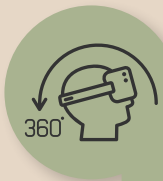
International standard for Occupational Health and Safety Management Systems.

5.3. RESEARCH, DEVELOPMENT, AND INNOVATION

With a long history and unique expertise, Riopelle focuses on creativity, innovation, and differentiation to strengthen its competitive position, ensuring the quality and reliability of its services. In the field of Research and Development, the commitment to innovation and the development of distinctive products to address the ever-relevant challenges of sustainability and circularity has been a key focus and benchmark. Thus, researching sustainable raw materials and establishing consortia and networks with universities, technology centers, start-ups, and customers has been crucial for achieving these goals. Recognising the fast-paced nature of a constantly changing global world, it is essential to communicate assertively and timely with customers and markets, as well as to enhance our understanding of them. In this context, a new concept has emerged centred around a Business Development team, aimed at driving the growth and expansion of Riopelle’s business.

In addition to various partnerships and material developments with customers and suppliers, Riopelle is also working on projects under the Recovery and Resilience Plan (PRR). In Portugal, the following projects are also underway:

Project Name	Objective	Riopelle’s Role
BE@T	Sustainable Bioeconomy, based on the following pillars: Biomaterials and Circularity. Eco-design. Traceability. Enhancement of national sustainable products.	Riopelle is involved in the development of new fibres through the recovery and recycling of waste. This includes R&D of new spinning processes (recycled fibres), with a focus on validating the development of ring-spun yarns for new materials and new cellulose-based and recycled fibres in an industrial setting. The goal is to produce new fabrics with a focus on circularity in the textile industry.
Giatex	Smart water management in the TCI aiming to address the challenges faced by textile enrichment companies regarding intensive water consumption.	The project focuses on testing strategies for water recirculation and implementing technologies for reducing consumption and treatment. It involves the use of sensor systems, online monitoring, and process automation. In this ongoing project, Riopelle will play an active role in testing, optimising, and validating a pilot unit for textile wastewater treatment technology to be implemented within the company.
TEXP@CT	Digitalisation of the TCS.	Riopelle is involved in a consortium focused on the development of robotics and automation, digital and collaborative product development, production agility and efficiency, data valorisation, traceability, and smart textiles.
Lusitanos	Reindustrialisation of the TCI.	Riopelle is involved in a consortium focused on the spinning of natural and recycled fibres. The consortium also works on R&D for technological, energy, and resource management solutions, job creation, and the promotion and internationalisation of the TCI.



We have also launched the ‘Metaverse and 3D Design’ project, aimed at developing a process for digitising samples and virtual prototyping of products through the Metaverse. This initiative will allow customers to review collections and assess the functionality and visual effect of fabrics in highly realistic digital garments. The goal is for the 3D technology-created virtual images to simulate not only the appearance of the finished piece but also its physical properties.

The investment in the ‘Metaverse and 3D Design’ project goes beyond merely adopting new technologies. The project has a mission to achieve the following:

Improving Design Efficiency: Enabling the creation and testing of new products more quickly and effectively, allowing for greater and broader exploration and experimentation with fabrics and patterns, meeting each customer’s specifications and preferences;

Higher Production Quality: This type of software allows for more testing and refinement of the product before actual physical production. As a result, the product only advances to the production stage once it meets the high-quality standards that Riopelle has established for its customers;

Faster Production and Lower Costs: Increased speed and efficiency in developing new collections, making the creation process less costly by eliminating the need to create and transport physical samples between the customer and Riopelle;

Lower Environmental Impact: Directly contributing to the elimination of waste in the textile industry’s value chain, thereby promoting greater sustainability.

5.4. ETHICS, CONDUCT, ANTI-CORRUPTION, AND COMPLIANCE

Ethics is a fundamental principle for Riopelle, serving as the foundation for creating truly sustainable value. Riopelle bases its decision-making on ethical principles and social responsibility criteria, driving continuous improvement in its performance and contributing to the sustainability of the value chain. Riopelle fosters a culture of loyalty and transparency, rooted in adherence to the Code of Ethics and Conduct.

The Code of Ethics and Conduct aims to formalise Riopelle's approach to good governance, guide the daily conduct of employees, and influence the behaviour of third parties, fostering growing relationships of trust. The document also addresses Riopelle's practices regarding data protection, equal opportunity, freedom of association, influence peddling, industrial property, and confidentiality.

This Code also aims to enhance Riopelle's institutional image, strategy, and regulations within the textile and apparel sector. It applies to all Riopelle employees, regardless of their contractual status or hierarchical position, as well as to all entities that engage with Riopelle, whether on a permanent or occasional basis.

Additionally, although Riopelle's Code of Ethics and Conduct addresses anti-corruption aspects, the company is developing a dedicated anti-corruption policy. This policy will focus on all its activities, standardising the assessment of corruption risks across the company's operations. Complementing this policy, internal procedures for monitoring and controlling corruption risks will be established, and Riopelle employees and managers will be trained in anti-corruption measures.

There is a formal reporting process in place to address irregularities. It begins with the submission of a report using the email provided by Riopelle (as detailed in the Code of Ethics and Conduct). This process ensures confidentiality, protects the information provided, complies with all legal regulations, and ensures proper handling of the report. The report is then reviewed by the Ethics and Conduct Committee.

The Ethics and Conduct Committee, made up of representatives from various areas within Riopelle, is responsible for ensuring adherence to the Code and addressing any issues related to its breach. The Committee takes appropriate measures to resolve such matters.



06. ATTACHMENTS

6.1. GRI TABLE

Declaration of Use	Riopele reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used	GRI 1: Foundations 2021

GRI Content	Location	Notes/Omissions
GRI 2: General Contents 2021		
2-1 Organisational Details	About the Report	Legal Name:Riopele - Têxteis, S.A. Corporate Structure: Public Limited Company. Headquarters: Avenida Riopele 946, 4770-405 Pousada de Saramagos, Portugal. Countries of Operation: Portugal and the United States of America.
2-2 Entities Included in the Organisation's Sustainability Repor	-	This sustainability report covers the companies in which Riopele has a stake, consistent with the practices used in its financial statements: - Oliveira e Sobrinhos, S.A. - Filatex Têxteis, S.A. - Riopele Fashion Solutions, S.A. - Riopele USA Corporation - RNCL, Central de Compras e Consultoria, S.A. - Saramagos II, Produção de Energia, S.A.
2-3 Reporting Period, Frequency, and Contacts	About the Report	-
2-4 Restatements of Information	-	Not applicable, as this is the Riopele's first sustainability report.
2-5 External Verification	-	Riopele has not yet conducted a third-party verification of its financial information; however, it plans to do so in one of the upcoming reporting cycles.
2-6 Activities, Value Chain, and Other Business Relationships	1. Riopele 1.3 Markets	-

GRI Content	Location	Notes/Omissions																																																		
2-7 Employees	4 . Social Responsibility - Our People	<table><tr><th colspan="5">2021</th></tr><tr><th colspan="5">Total Number of Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>399</td><td>699</td><td>-</td><td>-</td><td>1098</td></tr><tr><th colspan="5">Total Number of Permanent Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>355</td><td>632</td><td>-</td><td>-</td><td>987</td></tr><tr><th colspan="5">Total Number of Temporary Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>44</td><td>67</td><td>-</td><td>-</td><td>111</td></tr></table>	2021					Total Number of Employees					Women	Men	Other*	Not Reported	Total	399	699	-	-	1098	Total Number of Permanent Employees					Women	Men	Other*	Not Reported	Total	355	632	-	-	987	Total Number of Temporary Employees					Women	Men	Other*	Not Reported	Total	44	67	-	-	111
		2021																																																		
		Total Number of Employees																																																		
		Women	Men	Other*	Not Reported	Total																																														
		399	699	-	-	1098																																														
		Total Number of Permanent Employees																																																		
		Women	Men	Other*	Not Reported	Total																																														
		355	632	-	-	987																																														
		Total Number of Temporary Employees																																																		
		Women	Men	Other*	Not Reported	Total																																														
		44	67	-	-	111																																														
		<table><tr><th colspan="5">2022</th></tr><tr><th colspan="5">Total Number of Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>414</td><td>727</td><td>-</td><td>-</td><td>1141</td></tr><tr><th colspan="5">Total Number of Permanent Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>355</td><td>635</td><td>-</td><td>-</td><td>990</td></tr><tr><th colspan="5">Total Number of Temporary Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>59</td><td>92</td><td>-</td><td>-</td><td>151</td></tr></table>	2022					Total Number of Employees					Women	Men	Other*	Not Reported	Total	414	727	-	-	1141	Total Number of Permanent Employees					Women	Men	Other*	Not Reported	Total	355	635	-	-	990	Total Number of Temporary Employees					Women	Men	Other*	Not Reported	Total	59	92	-	-	151
		2022																																																		
		Total Number of Employees																																																		
		Women	Men	Other*	Not Reported	Total																																														
		414	727	-	-	1141																																														
		Total Number of Permanent Employees																																																		
		Women	Men	Other*	Not Reported	Total																																														
		355	635	-	-	990																																														
		Total Number of Temporary Employees																																																		
		Women	Men	Other*	Not Reported	Total																																														
		59	92	-	-	151																																														
		<table><tr><th colspan="5">2023</th></tr><tr><th colspan="5">Total Number of Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>420</td><td>719</td><td>0</td><td>0</td><td>1139</td></tr><tr><th colspan="5">Total Number of Permanent Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>381</td><td>633</td><td>0</td><td>0</td><td>1014</td></tr><tr><th colspan="5">Total Number of Temporary Employees</th></tr><tr><th>Women</th><th>Men</th><th>Other*</th><th>Not Reported</th><th>Total</th></tr><tr><td>39</td><td>86</td><td>0</td><td>0</td><td>125</td></tr></table>	2023					Total Number of Employees					Women	Men	Other*	Not Reported	Total	420	719	0	0	1139	Total Number of Permanent Employees					Women	Men	Other*	Not Reported	Total	381	633	0	0	1014	Total Number of Temporary Employees					Women	Men	Other*	Not Reported	Total	39	86	0	0	125
		2023																																																		
		Total Number of Employees																																																		
		Women	Men	Other*	Not Reported	Total																																														
		420	719	0	0	1139																																														
Total Number of Permanent Employees																																																				
Women	Men	Other*	Not Reported	Total																																																
381	633	0	0	1014																																																
Total Number of Temporary Employees																																																				
Women	Men	Other*	Not Reported	Total																																																
39	86	0	0	125																																																
2-8 Workers Who Are Not Employees	4. Social	Refer to the GRI 2-7 Content Table for Employees, information regarding temporary employees. Typically, these workers hold operational positions.**																																																		

GRI Content	Location	Notes/Omissions
	Responsibility - Our People	-
2-9 Governance Structure and Its Composition	1.4 Governance and Management Model	-
2-10 Appointment and Selection to the Highest Governance Body	1.4 Governance and Management Model	-
2-11 Chair of the Highest Governance Body	1.4 Governance and Management Model	-
2-12 Role of the Highest Governance Body in Overseeing Impact Management	1.4 Governance and Management Model	-
2-13 Delegation of Responsibility for Impact Management	1.4 Governance and Management Model	-
2-22 Statement on Sustainable Development Strategy	Message from the Chairman of the Board of Directors	-
2-23 Policy Commitments	5.4 Ethics, Conduct, Anti-Corruption, and Compliance	Riopele Code of Ethics and Conduct , available on its website - Ethics and Conduct
2-24 Incorporation of Policies	5. Economic and Governance Responsibility	Riopele Code of Ethics and Conduct , available on its website - Ethics and Conduct
2-27 Compliance with Laws and Regulations	-	Riopele has no significant cases of non-compliance with laws and regulations to report.
2-29: Approach to Stakeholder Engagement	2. Stakeholders	-
2-30: Collective Bargaining Agreements	-	To date, Riopele has not entered into any collective bargaining agreements.

GRI Content	Location	Notes/Omissions
GRI 3: Material Topics 2021		
3-1 Process to Determine Material Topics	2. Stakeholders 2.1 Materiality Analysis	-
3-2 List of Material Topics	2.1 Materiality Analysis	-
Water and Effluent Management		
3-3 Management of Material Topics	3.2 Water and Effluents Management	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 303.
Occupational Health and Safety		
3-3 Management of Material Topics	4.3 Occupational Health and Safety	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 403.
Research, Development, and Innovation		
3-3 Management of Material Topics	Message from the Chairman of the Board 1. Riopele 5.3 Research, Development, and Innovation	Riopele monitors and reports on this topic annually.
Energy and Climate Change		
3-3 Management of Material Topics	3.4 Energy and Climate Change	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 302 and 305.
Waste Management and Circularity		
3-3 Management of Material Topics	3.1 Materials and Chemicals 3.3 Waste Management and Circularity	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 301 and 306.
Chemical Management		
3-3 Management of Material Topics	3.1 Materials and Chemicals 3.2 Water and Effluents Management	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 301 and 303.
Sustainable Supply Chain Management		
3-3 Management of Material Topics	5.1 Sustainable Supply Chain Management	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 308 and 414.

GRI Content	Location	Notes/Omissions																																	
Ethics, Conduct, Anti-corruption, and Compliance																																			
3-3 Management of Material Topics	5.4 Ethics, Conduct, Anti-corruption, and Compliance	Riopele monitors and reports on this topic annually.																																	
Diversity, Equality, Non-discrimination, and Human Rights																																			
3-3 Management of Material Topics	4.3 Occupational Health and Safety	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 403.																																	
Customer Management and Satisfaction																																			
3-3 Management of Material Topics	4.7 Customer Satisfaction	Riopele monitors and reports on this topic annually.																																	
Employee Development and Training																																			
3-3 Management of Material Topics	4.2 Training and Career Development	Riopele monitors information related to this topic and reports it annually, including through GRI indicators: 404.																																	
Thematic Standards																																			
GRI 201: Economic Performance 2016																																			
201-1 Direct Economic Value Generated and Distributed	-	<table> <tr> <th></th><th>2022</th><th>2023</th></tr> <tr> <td>Direct Economic Value Generated (€)</td><td>87 817 132 €</td><td>94 065 651 €</td></tr> <tr> <td>Revenue</td><td>87 817 132 €</td><td>94 065 651 €</td></tr> <tr> <td>Economic Value Distributed (€)</td><td>89 278 868 €</td><td>88 033 272 €</td></tr> <tr> <td>Operating Costs</td><td>63 023 571 €</td><td>49 980 275 €</td></tr> <tr> <td>Investment</td><td>786 909 €</td><td>1 882 578 €</td></tr> <tr> <td>Salaries and Employee Benefits</td><td>14 799 981 €</td><td>15 958 774 €</td></tr> <tr> <td>Payments to the State</td><td>8 184 731 €</td><td>8 471 078 €</td></tr> <tr> <td>Donations and Other Community Investments</td><td>43 010 €</td><td>42 823 €</td></tr> <tr> <td>Bank debt and interest</td><td>2 440 666 €</td><td>11 697 745 €</td></tr> <tr> <td>Accumulated Economic Value (€)</td><td>-1 461 736 €</td><td>6 032 379 €</td></tr> </table>		2022	2023	Direct Economic Value Generated (€)	87 817 132 €	94 065 651 €	Revenue	87 817 132 €	94 065 651 €	Economic Value Distributed (€)	89 278 868 €	88 033 272 €	Operating Costs	63 023 571 €	49 980 275 €	Investment	786 909 €	1 882 578 €	Salaries and Employee Benefits	14 799 981 €	15 958 774 €	Payments to the State	8 184 731 €	8 471 078 €	Donations and Other Community Investments	43 010 €	42 823 €	Bank debt and interest	2 440 666 €	11 697 745 €	Accumulated Economic Value (€)	-1 461 736 €	6 032 379 €
	2022	2023																																	
Direct Economic Value Generated (€)	87 817 132 €	94 065 651 €																																	
Revenue	87 817 132 €	94 065 651 €																																	
Economic Value Distributed (€)	89 278 868 €	88 033 272 €																																	
Operating Costs	63 023 571 €	49 980 275 €																																	
Investment	786 909 €	1 882 578 €																																	
Salaries and Employee Benefits	14 799 981 €	15 958 774 €																																	
Payments to the State	8 184 731 €	8 471 078 €																																	
Donations and Other Community Investments	43 010 €	42 823 €																																	
Bank debt and interest	2 440 666 €	11 697 745 €																																	
Accumulated Economic Value (€)	-1 461 736 €	6 032 379 €																																	
201-2 Financial Implications and Other Risks and Opportunities Arising from Climate Change	5. Economic Responsibility and Governance	Additionally, you may refer to further information in the document titled 'Management Review Report 2023'.																																	
201-4 Financial Support Received from the Government	-	<table> <tr> <th></th><th>2022</th><th>2023</th></tr> <tr> <td>Financial Support Received (€)</td><td></td><td></td></tr> <tr> <td>Tax Benefits</td><td>2 138 262,74 €</td><td>3 542 590 €</td></tr> <tr> <td>Subsidies</td><td>4 220 263,82 €</td><td>2 137 679 €</td></tr> <tr> <td>Investment Grants</td><td>950 312,45 €</td><td>927 944 €</td></tr> <tr> <td>Total</td><td>7 308 839,01 €</td><td>6 608 213 €</td></tr> </table>		2022	2023	Financial Support Received (€)			Tax Benefits	2 138 262,74 €	3 542 590 €	Subsidies	4 220 263,82 €	2 137 679 €	Investment Grants	950 312,45 €	927 944 €	Total	7 308 839,01 €	6 608 213 €															
	2022	2023																																	
Financial Support Received (€)																																			
Tax Benefits	2 138 262,74 €	3 542 590 €																																	
Subsidies	4 220 263,82 €	2 137 679 €																																	
Investment Grants	950 312,45 €	927 944 €																																	
Total	7 308 839,01 €	6 608 213 €																																	

GRI Content	Location	Notes/Omissions
GRI 204: Procurement Practices 2016		
204-1 Proportion of Spending on Local Suppliers	5. Economic Responsibility and Governance	In recent years, Riopel has been continuously working to maximise the operational efficiency of its supply chain, making it increasingly sustainable. This practice values, for example, geographical proximity, reduction of carbon footprint, reduction of medium- and long-term costs, and achieving better delivery times. All of these responsible sourcing practices implemented by Riopel allow the company to provide a service that is environmentally and socially responsible.
GRI 205: Anti-Corruption 2016		
205-3 Confirmed Incidents of Corruption and Measures Taken	-	In 2023, Riopel did not record any confirmed, reported, or even merely raised cases of corruption.
GRI 206: Unfair Competition 2016		
206-1 Legal Actions for Unfair Competition, Antitrust, and Monopoly Practices	-	In 2023, Riopel was not subject to any legal actions related to unfair competition, antitrust practices, or monopolies.
GRI 301: Materials 2016		
301-1 Materials Used by Weight or Volume	3.1 Materials and Chemicals - Raw Materials	-
301-2 Raw materials or recycled materials used	3.1 Materials and Chemicals - Raw Materials	-
301-3 Reused Products and Packaging	3.4 Waste Management and Circularity	-
GRI 302: Energy 2016		
302-1 Energy Consumption Within the Organisation	3.4 Energy and Climate Change	-
302-2 Energy Consumption Outside of the Organisation	-	Not applicable to Riopel.
302-3 Energy Intensity	3.4 Energy and Climate Change	-
302-4 Reduction of Energy Consumption	3.4 Energy and Climate Change	-
302-5 Reductions in Energy Requirements of Products and Services	3.4 Energy and Climate Change	-

GRI Content	Location	Notes/Omissions																																	
GRI 303: Water and Effluents 2018																																			
303-1 Interactions with Water as a Shared Resource	3.2 Water and Effluent Management	-																																	
303-2 Management of Water Disposal Impacts	3.2 Water and Effluent Management	<p>The effluents from Riopelle are directed to SIDVA, so they must meet the quality parameters defined by the entity managing it, and cannot exceed the specified limits:</p> <table> <tr> <th>Quality Parameter</th><th>Unity</th><th>Limit</th></tr> <tr> <td>pH</td><td>Sorensen Scale</td><td>5,5 - 9,5</td></tr> <tr> <td>Conductivity</td><td>µs/cm</td><td>10000</td></tr> <tr> <td>COD</td><td>mg/l O2</td><td>2000</td></tr> <tr> <td>SS</td><td>mg/l</td><td>1000</td></tr> <tr> <td>BOD 5</td><td>mg/l</td><td>500</td></tr> <tr> <td>Chlorides</td><td>mg/l</td><td>1500</td></tr> <tr> <td>Total Hydrocarbons</td><td>mg/l</td><td>50</td></tr> <tr> <td>Copper</td><td>mg/l</td><td>1</td></tr> <tr> <td>Ammonia</td><td>mg/l</td><td>100</td></tr> <tr> <td>Surfactants reactive to methylene blue</td><td>mg/l</td><td>50</td></tr> </table>	Quality Parameter	Unity	Limit	pH	Sorensen Scale	5,5 - 9,5	Conductivity	µs/cm	10000	COD	mg/l O2	2000	SS	mg/l	1000	BOD 5	mg/l	500	Chlorides	mg/l	1500	Total Hydrocarbons	mg/l	50	Copper	mg/l	1	Ammonia	mg/l	100	Surfactants reactive to methylene blue	mg/l	50
Quality Parameter	Unity	Limit																																	
pH	Sorensen Scale	5,5 - 9,5																																	
Conductivity	µs/cm	10000																																	
COD	mg/l O2	2000																																	
SS	mg/l	1000																																	
BOD 5	mg/l	500																																	
Chlorides	mg/l	1500																																	
Total Hydrocarbons	mg/l	50																																	
Copper	mg/l	1																																	
Ammonia	mg/l	100																																	
Surfactants reactive to methylene blue	mg/l	50																																	
303-3 Water Withdrawal	3.2 Water and Effluent Management	<p>According to the Aqueduct Water Risk Atlas, Riopelle's facilities, located in the municipality of Vila Nova de Famalicão, are situated in an area of high water stress (meaning that the demand for water for domestic, industrial, agricultural, and irrigation purposes corresponds to 40%-80% of the available surface or groundwater), with an overall water risk rated as medium-high. This indicator developed by the World Resources Institute (WRI) considers all water-related risks by aggregating indicators of Quantity, Quality, Regulatory, and Reputational Risks. The fact that Riopelle operates in areas with medium-high water risk underscores the importance of its commitment to responsible water resource management. All water consumed at Riopelle's facilities is considered fresh water, with a concentration of dissolved solids less than 1,000 mg/l.</p>																																	
303-4 Water Discharge	3.2 Water and Effluent Management	All wastewater from Riopelle is directed to SIDVA, which processes it and subsequently discharges the treated water into the surrounding water bodies.																																	
303-5 Water Consumption	3.2 Water and Effluent Management	-																																	
GRI 305: Emissions 2016																																			
305-1 Direct emissions (Scope 1) of greenhouse gases (GHG)	3.4 Energia e Alterações Climáticas	-																																	

GRI Content	Location	Notes/Omissions
305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition	3.4 Energy and Climate Change	-
305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG)	3.4 Energy and Climate Change	-
305-4 Intensity of greenhouse gas (GHG) emissions	3.4 Energy and Climate Change	-
305-5 Reduction of Greenhouse Gas (GHG) Emissions	3.4 Energy and Climate Change	-
305-6 Emissions of Ozone-Depleting Substances (ODS)	-	Not applicable to Riopele's reality.
305-7 Emissions of NOX, SOX, and Other Significant Atmospheric Emissions	-	Not applicable to Riopele's reality.
GRI 306: Waste 2020		
306-1 Waste Generation and Significant Related Impacts	3.4 Waste Management and Circularity	-
306-2 Waste Generated	3.4 Waste Management and Circularity	-
306-3 Waste Generated	3.4 Waste Management and Circularity	-
306-4 Non-Final Disposal Waste	3.4 Waste Management and Circularity	-
306-5 Waste Sent for Final Disposal	3.4 Waste Management and Circularity	-

GRI Content	Location	Notes/Omissions
GRI 308: Supplier Environmental Assessment 2016		
308-1 New Suppliers Selected Based on Environmental Criteria	5.1 Sustainable Management of the Value Chain	Riopele establishes partnerships with its suppliers, making them aware of its Code of Conduct and promoting a culture of transparency and responsibility in its commercial partnerships.
308-2 Negative Environmental Impacts in the Supply Chain and Measures Taken	5.1 Sustainable Management of the Value Chain	Riopele aims to categorise and value its supplier portfolio more comprehensively. To achieve this, it is currently implementing measures such as revising the supplier management process. This initiative aims to enhance the pre-qualification and integration of new suppliers into the portfolio through sustainability criteria (environmental and social).
GRI 401: Employment 2016		
401-1 New Employee Hires and Employee Turnover	4.1 Talent Attraction and Retention	-

Hiring Rate by Gender and Age Group

2021					
Hiring Rate	< 30 years old	30 - 50 years old	> 50 years old	Total Hires by Gender	Hiring Rate
Men	20	15	5	40	4,1%
Women	12	14	0	26	2,6%
Total Hires by Age Group	32	29	5	66	6,7%
Hiring Rate	3,2%	2,9%	0,5%	6,7%	
2022					
Hiring Rate	< 30 years old	30 - 50 years old	> 50 years old	Total Hires by Gender	Hiring Rate
Men	30	16	3	49	4,9%
Women	13	12	1	26	2,6%
Total Hires by Age Group	43	28	4	75	67,6%
Hiring Rate	4,3%	2,8%	0,4%	7,6%	
2023					
Hiring Rate	< 30 years old	30 - 50 years old	> 50 years old	Total Hires by Gender	Hiring Rate
Men	20	17	5	42	4,2%
Women	19	19	4	42	4,2%
Total Hires by Age Group	39	36	9	84	8,4%
Hiring Rate	3,9%	3,6%	0,9%	8,4%	

GRI Content

Location

Notes/Omissions

Turnover Rate by Gender and Age Group

2021					
Hiring Rate	< 30 years old	30 - 50 years old	> 50 years old	Total Hires by Gender	Hiring Rate
Men	10	16	50	36	3,6%
Women	5	8	11	24	2,4%
Total Hires by Age Group	15	24	21	60	6,1%
Turnover Rate	1%	2%	2%	6%	
2022					
Hiring Rate	< 30 years old	30 - 50 years old	> 50 years old	Total Hires by Gender	Hiring Rate
Men	9	10	13	32	3,2%
Women	6	13	1	20	2,0%
Total Hires by Age Group	15	23	14	52	5,3%
Turnover Rate	1%	2%	1%	5,3%	
2023					
Hiring Rate	< 30 years old	30 - 50 years old	> 50 years old	Total Hires by Gender	Hiring Rate
Men	25	8	10	43	4,3%
Women	10	3	3	16	1,6%
Total Hires by Age Group	35	11	13	59	5,9%
Turnover Rate	3,5%	1,1%	1,3%	5,9%	

Note: For the purpose of the ratios, the average number of employees during the reporting period has been considered.

401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees

4.1 Talent Attraction and Retention

-

401-3 Maternity/Paternity Leave

4.1 Talent Attraction and Retention

-

GRI 403: Occupational Health and Safety 2018

403-1 Occupational Health and Safety Management System

4.3 Occupational Health and Safety

The OHS Management System (certified according to ISO 45001:2018) covers all employees of Riopel as well as any individuals working on its premises.

GRI Content	Location	Notes/Omissions
403-2 Hazard Identification, Risk Assessment, and Incident Investigation	-	<p>Hazard identification and risk assessment at Riopelle is a dynamic and continually evolving process aimed at the continuous improvement of worker safety and health. This activity is carried out by Occupational Health and Safety (OHS) technicians in collaboration with a multidisciplinary team, ensuring a comprehensive view of various job positions. Workers play a crucial role in identifying hazards within the organisation due to their in-depth knowledge of their job roles. Operational control routines carried out by various areas contribute to this process, including regular checks of work equipment and safety devices, monitoring of workplace hygiene conditions, incident investigation, workplace visits by safety and occupational health technicians, and audits of workstations. Once risks are identified, control measures are defined to either eliminate or reduce them, by replacing hazardous elements with non-hazardous or less dangerous ones and applying organisational measures and/or engineering solutions to reduce exposure to risks. Lastly, if there are no collective protection measures capable of reducing the risk to an acceptable level, individual protection measures are defined. Riopelle aims to minimise the likelihood and potential consequences of work incidents. However, in the event of an incident, investigating work incidents is crucial to reducing occupational injury rates. The OHS team seeks to identify the root cause of each incident together with workers and area managers, using all necessary means to implement effective corrective and preventive measures. However, in the event of an incident, investigating work incidents is fundamental to reducing workplace injury rates. The OHS team seeks to identify the root cause of each incident together with workers and area managers, using all necessary resources to implement effective corrective and preventive measures. This aims to prevent future occurrences and raise awareness of existing workplace hazards, fostering a culture of safety throughout the organisation. The consultation and participation of workers in occupational health and safety matters are essential for the continuous improvement of our OHS management system. In this regard, we conduct biannual OHS surveys with workers, hold frequent meetings between the OHS team and worker groups, and involve workers in the selection of personal protective equipment. Additionally, we promote the 'Worker Dialogue Group', which aims to foster open dialogue across all levels and services of the company. This approach allows us to accelerate the implementation of feasible improvements that align with the company's strategy.</p> <p>Workplace accidents are reported by the area where the accident occurred to the QA and HR departments, triggering an investigation of the accident by the QA team. During this investigation, the causes of the accident are identified, which allows for the establishment of corrective and preventive measures in accordance with the hierarchy of controls. This investigation also leads to a reassessment of the risk level associated with the task involved in the accident.</p>
403-3 Occupational Health Services	-	<p>Medical fitness consultations required by law are conducted, as well as occasional ones whenever deemed necessary by the services or whenever requested by the employee. To access occupational health services, appointments can be made through Riopelle digital or requested via the area managers.</p>
403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	-	<p>Workers play a crucial role in preventing risks within the organisation due to their in-depth knowledge of their workstations. Thus, Riopelle consults workers biannually through a general employee survey. In 2023, Riopelle conducted two health and safety surveys for all employees (including temporary workers and interns), achieving a response rate of 68% in the first survey (conducted in August) and 48% in the second (conducted in December). Relevant information on occupational health and safety is also disseminated through information boards in the areas, via Riopelle Digital, and the employee portal (e.g., QA minutes, monitoring results, emergency recommendations), and safety instructions are provided at workstations. The Worker Dialogue Group aims to promote periodic meetings for open dialogue with all levels and departments of the company. This approach helps accelerate the implementation of feasible improvements that align with the company's strategy.</p>

GRI Content	Location	Notes/Omissions
403-5 Worker Training on Occupational Health and Safety	-	To equip its employees with occupational health and safety (OHS) knowledge, Riopelle conducts emergency drills and invests in their training and information. Training helps employees better identify hazards, adopt safe behaviours, and avoid risky situations. As part of the onboarding process, OHS training is included for new hires. Specific training is provided based on the risks associated with each employee's tasks. Riopelle's internal environmental and safety regulations are provided to subcontracted companies and must be communicated to workers performing tasks at the company, with proof of this communication required.
403-6 Promotion of Worker Health	4.1. Talent Attraction and Retention - Compensation and Working Hours	Riopelle provides various benefits to employees, including life insurance for all staff, curative medical services, psychological consultations, and two periods of 4 hours per month for medical appointments. Employees also have access to a wide range of partnerships with health, education, hospitality services, and others.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	-	See GRI indicators above (GRI 403-4 and GRI 403-5).
403-8 Workers covered by an occupational health and safety management system	4.3 Occupational Health and Safety	100% of Riopelle's permanent and temporary employees are covered by an Occupational Health and Safety management system certified to ISO 45001:2018.
403-9 Work-related Injuries	4.3 Occupational Health and Safety	
403-10 Occupational Illnesses	-	In 2023, Riopelle identified 19 employees with occupational diseases, including chronic tendinitis, tenosynovitis, and myotendinous syndromes, scapulohumeral periarthritis, condylitis, epicondylitis, epitrochleitis, styloiditis, and bilateral sensorineural hearing loss due to irreversible cochlear damage (with or without tinnitus), often symmetric and primarily affecting high frequencies, caused by noise trauma.
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	4.2 Training and Career Development	-
404-2 Programmes for Skills Enhancement and Career Transition Assistance	4.2 Training and Career Development	-
404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	4.2 Training and Career Development	-

GRI Content	Location	Notes/Omissions				
GRI 405: Diversity and Equal Opportunities 2016						
405-1 Diversity of Governance Bodies and Employees	4.4 Diversity, Equal Opportunities, and Non-Discrimination	-				
Riopele Employees by Gender, Age Group, and Functional Group						
2021						
Functional Category	< 30 years old		30 - 50 years old		> 50 years old	
	M	W	M	W	M	W
Operation	27%	17%	23%	20%	6%	0%
Corporate	3%	2%	0%	2%	0%	0%
Management	0%	0%	0%	0%	2%	0%
Total	30%	18%	23%	21%	8%	0%
2022						
Functional Category	< 30 years old		30 - 50 years old		> 50 years old	
	M	W	M	W	M	W
Operation	36%	7%	20%	15%	4%	1%
Corporate	4%	11%	0%	1%	0%	0%
Management	0%	0%	1%	0%	0%	0%
Total	40%	17%	21%	16%	4%	1%
2023						
Functional Category	< 30 years old		30 - 50 years old		> 50 years old	
	M	W	M	W	M	W
Operation	11%	5%	23%	18%	23%	8%
Corporate	1%	1%	2%	3%	1%	2%
Management	0%	0%	1%	0%	1%	0%
Total	12%	6%	26%	21%	25%	10%
405-2 Ratio of Basic Salary and Remuneration of Women to Men	4.4 Diversity, Equal Opportunities, and Non-Discrimination	-				
GRI 406: Non-Discrimination 2016						
406-1 Cases of Discrimination and Corrective Actions Taken	-	In 2023, no incidents of discrimination or harassment were identified within the organisation.				




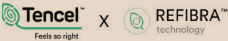


GRI Content	Location	Notes/Omissions
GRI 408: Child Labour 2016		
408-1 Operations and Suppliers at Significant Risk for Incidents of Child Labour	4.5 Human Rights - Child Labour and Forced Labour; 5.1 Sustainable Supply Chain Management	In compliance with Portuguese legislation, Riopete prohibits the practice of child labour. This commitment is extended to its suppliers upon the signing of the Supplier Code of Conduct and is validated during evaluations conducted on them. There is no available information indicating that any suppliers present significant risks of child labour incidents or young workers being exposed to hazardous work.
GRI 409: Forced or Compulsory Labour 2016		
409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labour	4.5 Human Rights - Child Labour and Forced Labour; 5.1 Sustainable Supply Chain Management	In compliance with Portuguese legislation, Riopete prohibits the practice of forced or compulsory labour. This commitment is extended to its suppliers upon the signing of the Supplier Code of Conduct and is validated during the evaluations conducted on them. There is no available information indicating that any suppliers present significant risks of significant risks of forced or compulsory labour.
GRI 413: Local Communities		
GRI 413-1 Operations with Local Community Engagement, Impact Assessments, and Development Programmes	4.6 Community Support	-
GRI 413-2 Operations with Significant or Potential Negative Impacts on Local Communities	-	Not applicable the Riopete's activities.
GRI 414: Supplier Social Assessment 2016		
414-1 New Suppliers That Were Screened Using Social Criteria	5.1 Sustainable Value Chain Management	Riopete establishes partnerships with its suppliers by communicating its Code of Conduct and promoting a culture of transparency and responsibility in its commercial relationships.
414-2 Negative Social Impacts in the Supply Chain and Actions Taken	5.1 Sustainable Value Chain Management	Riopete aims to categorise and enhance its supplier portfolio more comprehensively. To achieve this, the company is currently implementing measures such as revising the supplier management process. This initiative seeks to improve the pre-qualification and integration of new suppliers into the supplier portfolio through sustainability criteria (environmental and social).
GRI 416: Customer Health and Safety 2016		
416-1 Assessment of the Health and Safety Impacts of Product and Service Categories	-	To ensure compliance with consumer health and safety requirements, Riopete works with over fifty suppliers of raw materials certified under OEKO-TEX® STANDARD 100, a certification we value and have held for more than 25 years. The growing demand for more sustainable raw materials, based on the principle of traceability, has led Riopete to seek suppliers capable of meeting these requirements, certified by standards such as the Global Recycled Standard (GRS), Organic Content Standard (OCS), European Flax, and the RWS standard.
416-2 Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	-	No non-compliance incidents of this nature were recorded in 2023.

6.2. METHODOLOGICAL NOTES:

MATERIALS AND CHEMICALS

The items (fabrics) are classified according to the raw materials they use and according to the following rules:

SUSTAINABLE FIBRES – MATERIAL CODING

Logo	Rule
	Equal to or more than 20% recycled fibres.
	Equal to or more than 5% organic fibres.
	Equal to or more than 30% lyocell Tencel™ fibre.
	Equal to or more than 30% lyocell Tencel™ x Refibra™ fibre.
	Equal to or more than 30% modal Tencel™ Luxe fibre.
	Equal to or more than 30% modal Tencel™ fibre.

Logo	Rule
	Equal to or more than 26% viscose EcoVero™ fibre.
	Equal to or more than 30% acetate Naia™ fibre.
	Equal to or more than 30% acetate Naia™ Renew fibre.
	Equal to or more than 30% cupro Bemberg™ fibre.
	Equal to or more than 20% pineapple leaf Pinayarn® fibre.
	Equal to or more than 50% European-origin linen fibre. Does not allow blends with conventional linen.

CARBON FOOTPRINT:

The method used for calculating greenhouse gas (GHG) emissions was based on the application of specific emission factors (EFs) to Riopete's activity data. Activity data for the 2022 calendar and fiscal year were considered.

Whenever possible and relevant, and when the information source was available, the different GHGs identified by the Kyoto Protocol were considered, namely: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆). For each GHG, its Global Warming Potential (GWP), as stipulated by the IPCC, was taken into account. GWPs are applied to different GHGs to convert the total amount of the same GHG into a common unit of measure - the carbon dioxide equivalent (CO₂e). The CO₂e unit consolidates and expresses the total amount of GHG emissions.

Efforts were made to use primary EFs provided by Riopete's suppliers. In their absence, EFs from national sources were prioritised, including APA, DGEG, and the Energy Intensive Consumption Management System (SGCIE). When necessary, EFs from other reliable sources were used, including the IPCC, the Environmental Protection Agency (EPA, USA), the Department for Environment, Food and Rural Affairs (DEFRA, UK), the Ellen MacArthur Foundation (EMF), or scientific articles published in reputable journals.

The calculation of the Carbon Footprint included direct GHG emissions (Scope 1), which occur from sources owned or controlled by the company; indirect GHG emissions (Scope 2), from the generation or acquisition of electricity, heat, and steam by the company; and other indirect GHG emissions (Scope 3), related to Riopete's value chain (both upstream and downstream). For Scope 1 and 2 emissions, the operational control approach for consolidation of emissions was adopted.

TURNOVER RATE:

To calculate the turnover rate, we apply two different formulas, allowing for a realistic perception of the actual employee turnover within the company.

$$\text{Turnover Rate} = \frac{\text{total n}^{\circ} \text{ of exits}}{\text{average n}^{\circ} \text{ of employees}}$$

WORK ACCIDENT SEVERITY INDEX:

The index was calculated using the following formula:

$$I_{\text{serious accidents}} = \frac{\text{n}^{\circ} \text{ of serious work accidents}}{\text{total n}^{\circ} \text{ of hours worked}} \times 1.000.000$$

WORK ACCIDENTS WITH MANDATORY REPORTING INDEX:

The index was calculated using the following formula:

$$I_{\text{reported accidents}} = \frac{\text{n}^{\circ} \text{ of serious work accidents reported}}{\text{total n}^{\circ} \text{ of hours worked}} \times 1.000.000$$

Riopele-Têxteis, S.A.

**Av. Riopele, nº 946
4770-405 Pousada de Saramagos
Portugal**

