

SUSTAINABILITY
REPORT **2022**

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The Finançor Group in 2022



Economic

Indicators

218 368 025 €

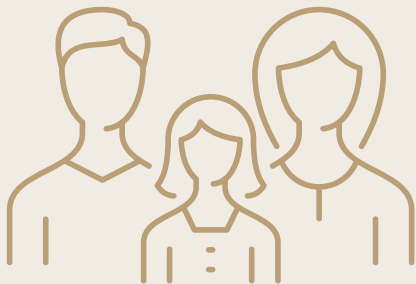
Direct economic value generated

89%

Local suppliers
(national and regional)

100%

Employees encompassed
by the Code of Ethics



Social

Indicators

1587

Total of Employees

52%

Women in the Group

94%

Employees subject to performance
evaluation



Environmental

Indicators

5757 tCO₂e

Scope 1 emissions

11 175 tCO₂e

Scope 2 emissions

9 441 GJ

Renewable energy
production
(biogas, solar and biomass)



Yearly estimated
forest uptake potential:

22 943 tCO₂e



Economic Indicators

Direct economic value generated (€)	60 725 663	65 552 964	80 432 961	11 656 437
National suppliers (%)	71%	97%	99%	92%
Employees encompassed by the Code of Ethics (%)	100%	100%	100%	100%

Social Indicators

Total of Employees (No.)	144	417	815	211
Women in the Group (%)	18%	29%	67%	67%
Women in the Group (No.)	26	120	543	141
Employees subject to performance evaluation (%)	98%	89%	96%	94%
Employees subject to performance evaluation (No.)	141	370	784	198

Environmental Indicators

Scope 1 emissions (tCO ₂ e)	2 112	2 506	589	551
Scope 2 emissions (tCO ₂ e) – market-based	2 356	2 766	4 311	1 743
Renewable energy production (GJ)	0,71	6 095,68	0	3 344,28
Renewable energy production (% of consumption)	0,001%	11,849%	0%	16,044%



José Romão Leite Braz
Vice-president of the Administration Board
and CEO

José Manuel Almeida Braz
President of the Administration Board

Message of the Administration Board

Being the second of its nature, the following report betokens the continuity of the journey that we, as a group, have been tracing through the past few years: one in line with our mission of creating long-term sustainable value—be it for our clients and consumers, or for our employees, stakeholders and surrounding society. We believe in the possibility of a future shaped by quality and accessible food and nutrition—one carried out through fair work practices and in accordance with the protection principles of Human Rights, and thus rooted in knowledge stemmed from science and innovation investment.

The years of 2021 and 2022 were challenging ones, scarred by the pandemic

and the war in Ukraine. As a Group, the challenges we undertook were twofold: to maintain the commitment and responsibility of collaborating with those affected by said events, whilst having to assure the sustainability and viability of our business in the enduring of the subsequent consequences of said events — such as the rampant rise in cost of raw materials or energy.

“...creating long-term sustainable value—be it for our clients and consumers, or for our employees, stakeholders and surrounding society”.

In our areas of business, we are the market leaders of the Azores. This, however, serves us no comfort: we know that we have to keep working to maintain the role we play and to remain as a role-model of the best practices for true sustainable development.

Our resilience, in tandem with the strategic approach established for the Group (of which our Sustainability Strategy is a part), has enabled us to face these challenges with no significant harm consequences. We kept working on the reduction of the potential negative impacts of our business over the environment, and aimed to maintain our spirit of solicitousness towards the people — our employees and community. Such is what characterizes the DNA of the Finançor Group.

Concomitantly, the “show” went on, and sustainability is increasingly becoming a major part to the manner in which we conduct our activities. In most business areas — some of which we take part — investing in sustainability is no frivolous matter: it is a paramount factor of survival that contributes to the importance of a strategic approach towards the subject.

Our Sustainability Strategy has sponsored the development of many an initiative (patent throughout this report), of which we are so very proud. In 2021 and 2022, we undertook several initiatives that have now let us reduce the negative impacts of our activity and increase the positive impacts we have on the economy, society and the environment. We are well aware of the challenges the future may hold for us, but we firmly believe that the support given by global initiatives — such as the United Nations 2030 Agenda for Sustainable Development Goals (UN SDG 2030 Agenda) — and a commitment to science and innovation will enable us to materialize our mission of sustainable value creation — and so remain ever-present in the future.

About this Report



1

SCOPE, TIMEFRAME AND STRUCTURE OF THE REPORT

The following Sustainability Report is the second of its nature, and its timeframe comprehends the period between January 1st, 2021, and December 31st, 2022.

Information pertaining to the performance of 2021 and 2022 is presented throughout the corpus of this report, as means to illustrate the evolution of all of the Group's companies.¹

Companies un contemplated by certain indicators will be duly mentioned as so through the entirety of the Report.

Exercises of stakeholder monitoring and evaluation, as well as analysis of materiality, have contributed to the composition of this Report and to the definition of its content and boundaries.

GLOBAL REPORTING INITIATIVE AND SUSTAINABLE DEVELOPMENT GOALS

The Report was carried out in accordance with the Global Reporting Initiative (GRI) guidelines for Sustainability Reports (vide GRI content index).

In light of the scope of our commitment to sustainable development, our contribution to the UN SDG 2030 Agenda is present throughout the Report — namely, a set of goals characterized as most pressing.

EXTERNAL VERIFICATION

The data presented was not subject to independent external verification.

CONTACTS

Questions regarding the Sustainability Report of Finançor Group, and the overall theme of sustainability, ought to be directed to the Sustainability Project Team via: sustentabilidade@financor.pt

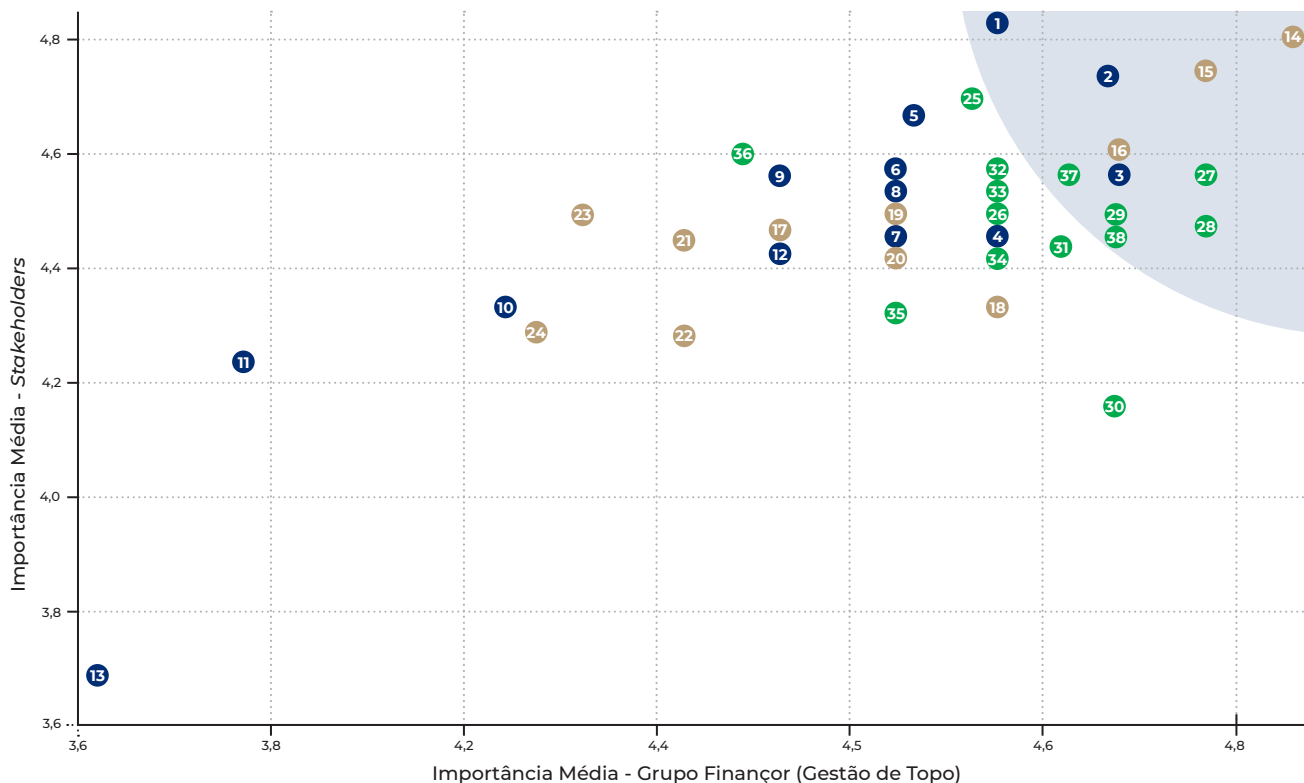
¹Details regarding the companies that comprise the Finançor Group can be found in the attachment: "Methodology notes".

Materiality

In 2020, we monitored and evaluated our stakeholders regarding the subject of sustainability; we did so focusing on three dimensions: governance/economic, social and environmental. In 2023, so as to include the perspective from stakeholders of the companies acquired in 2020 (Finançor Distribuição Alimentar and Finançor Cash&Carry), a new monitoring and evaluation took place—the results of which were added to previous results, thus manifesting the new materiality matrix of the Finançor Group. From this analysis, a list of 11 material issues pertinent to the Group arose. These issues will be examined throughout the Report.

The previously described diligences have contributed to the analysis of materiality and consequent apperception of the Group’s material issues (as presented below). In comparison with the previous analysis, the only alteration in the matrix was that of the materiality of the “Water and effluents management” issue — which has now ceased to be considered as material, albeit still contemplated in our Sustainability Strategy.

As previously stated, the list of 11 material issues pertinent to the Group that will be examined throughout the Report.



GOVERNANCE AND ECONOMIC DIMENSIONS










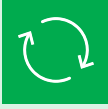
1. Mission, vision and strategy · 2. Ethics and transparency · 3. Ethics and respect for the human and worker's rights · 4. Animal welfare · 5. Economic performance and value creation · 6. Risk management · 7. Innovation management · 8. Responsible Supply Chain · 9. Support to local production · 10. Model and structure of governance · 11. Regulatory environment · 12. Responsible financial practices · 13. Political contributions

SOCIAL DIMENSION

14. Food safety · 15. Customer satisfaction and product and service quality · 16. Occupational safety and health and employee well-being · 17. Product and services labelling · 18. Diversity, inclusion and equality of opportunities · 19. Promotion of healthy and accessible food · 20. Stakeholder engagement · 21. Internal social responsibility · 22. Conciliation of the employees' social and professional life · 23. Engagement and support of local communities and social projects sponsoring · 24. Support to entrepreneurial projects · 25. Customer privacy and data security · 26. Management, development and attraction of people

ENVIRONMENTAL DIMENSION

27. Food waste management · 28. Energy management and energetic efficiency · 29. Residue management · 30. Water and effluents management · 31. Origin and Efficient use of raw materials · 32. Environmental management system and policies · 33. Natural resources and ecosystems protection and conservation · 34. Climate change and green-house gas emissions · 35. Limitation of the use of pesticides, chemical fertilizers and antibiotics · 36. Sustainable hotel services · 37. Integration of the Circular Economy Paradigm and product/services lifecycle management · 38. Sustainable agricultural practices and soil usage

GOVERNANCE AND ECONOMIC DIMENSIONS		SDG	GRI
	2 - Ethics and transparency		2 Section: Governance
	4 - Animal welfare ²		-
	1 - Mission, vision and strategy		2 Section: Governance
SOCIAL DIMENSION		SDG	GRI
	14 - Food Safety		416-1 416-2 417-2
	15 - Customer and client satisfaction, and product and service quality		-
	16 - Occupational safety and health and employee well-being		403
ENVIRONMENTAL DIMENSION		SDG	GRI
	28 - Energy management and energetic efficiency		302-1 302-4
	29 - Residue management		306
	27 - Food waste management		-
	37 - Integration of the Circular Economy Paradigm and product/services lifecycle management		-
	38 - Sustainable agricultural practices and soil usage		304-1

² Apesar de não ter sido identificado como tema material no âmbito das auscultações realizadas, o bem-estar animal é um tema que o Grupo Finançor entende como sendo da maior relevância, pelo que o considerou como material.

About the Finançor Group



Primary events of 2021 and 2022



2021 December

Inauguration of the first Pingo Doce store in the Azores — on the island of Santa Maria.

2022

January

Official public presentation event of the Finançor Group's first Sustainability Report.



April

Inauguration of the second Pingo Doce store — in Vila Franca do Campo, on the island of São Miguel.

September

Inauguration of the third Pingo Doce store — in Arrifes, on the island of São Miguel.



September

Adherence to the APQ (Portuguese Quality Association) and to GRACE.



November

Inauguration of the fourth Pingo Doce store — in Capelas village, on the island of São Miguel.

Sustainable shopping policy publication.

Launching of the reporting channels code of conduct and ethics.

Full resuming of the tourism activities in the Azores in 2022 — the best year so far.



The History of the Finançor Group

From its roots until today.

1954



Creation of the Sociedade Financeira de Investimentos e Gestões Açores — Finançor, S.A.



1965



Inauguration of the first Finançor animal feed factory in Ponta Delgada.



1975

Creation of Pondel, Avícola de Ponta Delgada, Lda. by a group of partners in the market of poultry farming.



1974

Creation of Agraçor, Sociedade agropecuária Açoreana, S.A. — known today as Suínos dos Açores, S.A.



1973

Founding of company Noviçor – Sociedade Agropecuária de São Vicente Ferreira, Lda. — known today as Noviçor – Novilhos dos Açores, S.A.



Alongside a few livestock farmers, a group of dairy industrialists acquires the majority of the Finançor, S.A. social capital.



Founding of the companies Avigex – Sociedade de Empreendimentos Avícolas e de Frio, Lda. and Granpon – Granja Avícola de Ponta Delgada, Lda.

1976

1978



Societal and capital restructuring, so as to better organize the several companies owned by the Finançor Group.



2005

2007



Finançor SGPS, S.A., through Finançor Agro-Alimentar, S.A. acquired NSL – Nicolau Sousa Lima, Indústria, SGPS, S.A., holder of Sociedade Açoreana de Sabões, S.A., of Pondel – Avícola de Ponta Delgada, Lda. and of Agraçor – Sociedade Agropecuária Açoreana, Lda. Distinction made by Açoriano Oriental to Finançor Agro-Alimentar as meriting the 2nd best company of the Azores in 2006, as well as to its President— José Manuel Almeida Braz—as meriting the Prémio Gestor do Ano 2006 (Manager of the Year 2006 Award).



Certification of a Quality Management System by norm ISO 9001:2000, as well as of a Food Safety System (HACCP) in the sectors of Compound Animal Feed Production, Milling, Cookies and Crackers and Doughs.



2004

1998

Acquisition of EPAC's silo facilities: a fundamental strategic shift in the company's cereal storage.



Loan granted to Finançor by the EFTA Fund intended for remodels in the milling sector.



Finançor becomes a founding stakeholder of Investaçor, SGPS, S.A., as a means of privatizing BCA (Commercial Bank of the Azores), thus redirecting its strategy to the sector of tourism; in the following years, this led to them being the second hotel group in the Azores.

1980

1996



Capital restructuring of Finançor SGPS, S.A.—which lead to a reduction in the number of stakeholders. The society was now solely detained by four stakeholders: the Leite Braz family.

2008



2009



Finançor Agro-Alimentar, S.A. merges by incorporation the societies NSL – Nicolau Sousa Lima, Indústria, SGPS, S.A. and Sociedade Açoreana de Sabões, S.A., adquirindo também o Grupo Salsiçor, through the full acquisition of the social capital of Salsiçor – Salsicharia dos Açores, S.A., Alibomcomer – Comércio Alimentar, S.A., Roque & Pavão – Indústria e Comércio Alimentar, S.A., Salsicharia Mariense, Lda. as well as 75% of the capital of Salsicharia Pavão, S.A.



2013

Finançor Agro-Alimentar, S.A. wins the Prémio Agricultura 2013 (2013 Agriculture Prize) in the Large Companies category — a joint initiative by Bank PI and the Cofina Group, sponsored by the Portuguese Government and the Agriculture Ministry, alongside the support of PwC.



Finançor SGPS, S.A. is now in control of the entire capital of Finançor Agro-Alimentar, S.A. Recognition of the Finançor Agro-Alimentar social responsibility policy by Açoriano Oriental, thus meriting the Prémio Responsabilidade Social (social responsibility award) in a segment entitled the 100 Best Companies of the Azores.

2012

Acquisition of the Aviary of Ribeira Grande, which allowed a considerable increase in the egg production and sales in the Azores.

2014



Acquisition of the company Provipor (the assets of which detained the second largest swine farming exploration of the Azores). Inauguration of Nako, Talho & Take Away. Açoriano Oriental bestows upon José Romão Leite Braz—Vice-President of the Administration Board—the Prémio Gestor do Ano 2014 (Manager of the Year 2014 Award).

2015

Publication of the first Sustainability Report (pertaining to 2020).
Reopening of the pre-existing store in Santa Maria under the brand Pingo Doce.



Reopening of three pre-existing stores under the brand Pingo Doce.



2021



2022



Acquisition of the societies Marques Comércio a Retalho and Marques Comércio por Grosso.
Activity outset of the new industrial unit of Salsiçor Terceira.

2020



Açoriano Oriental bestows upon Finançor the Prémio Projeto de Investimento — Complexo Industrial (Investment Project Award—Industrial Complex).

Conclusion of several industrial investments: the inauguration of a new Complexo Industrial de Ponta Delgada (Industrial Complex of Ponta Delgada) that integrates a wheat mill; a cookie factory and a baking goods and bread production unit; a new meat transformation and processing unit on the island of Terceira; and a new Chicken farming for breeding.



2019



Acquisition of Investaçor SGPS, S.A. — and its affiliated companies — 20 years after the company's founding and the entry of Finançor as a minor stakeholder.
Launch of the Azoris Hotels & Leisure brand in November: the company's hotel businesses are now rebranded under the name Azoris.

2016



Start of program of development and investigation in aquaculture through the participation in the company Aquazor: a company dedicated to off-shore aquaculture of fish and sea-weed.
Acquisition of MegaSabor: a business in the manufacturing of bread and baking goods.
Conclusion of investment in swine farming with the consecutive total renewal of the Provipor exploration.
Total remodelling of the Azoris Angra Garden – Plaza Hotel.

2018

Areas of Business

The Finançor Group operates in four distinct business areas:



Animal Nutrition

Scope and innovation in the production of animal feed

Leader in the Azorean market

More than 330 references

7 brands

Optimized portfolio for the various distribution channels

Strong innovation component bolstered by a state-of-the-art laboratory



Food Business

Production of food products of 100% Azorean origin

Leader in the Azorean market

Control of the entire value chain

Strong brand-awareness

Key supplier of largest retailer supermarkets of the Azores



Food Distribution

Strategic partnership established with the Jerónimo Martins Group

11 supermarkets (on 3 islands): 5 Pingo Doce and 6 Solmar

1 Cash&Carry Wholesaler

An established renovation plan foresees the transformation of the remaining Solmar supermarkets into Pingo Doce supermarkets — 3 in 2023; the remaining 3 by the end of 2024



Hotels and Leisure

Quality and diversified touristic offer

3 hotels

Premium locations

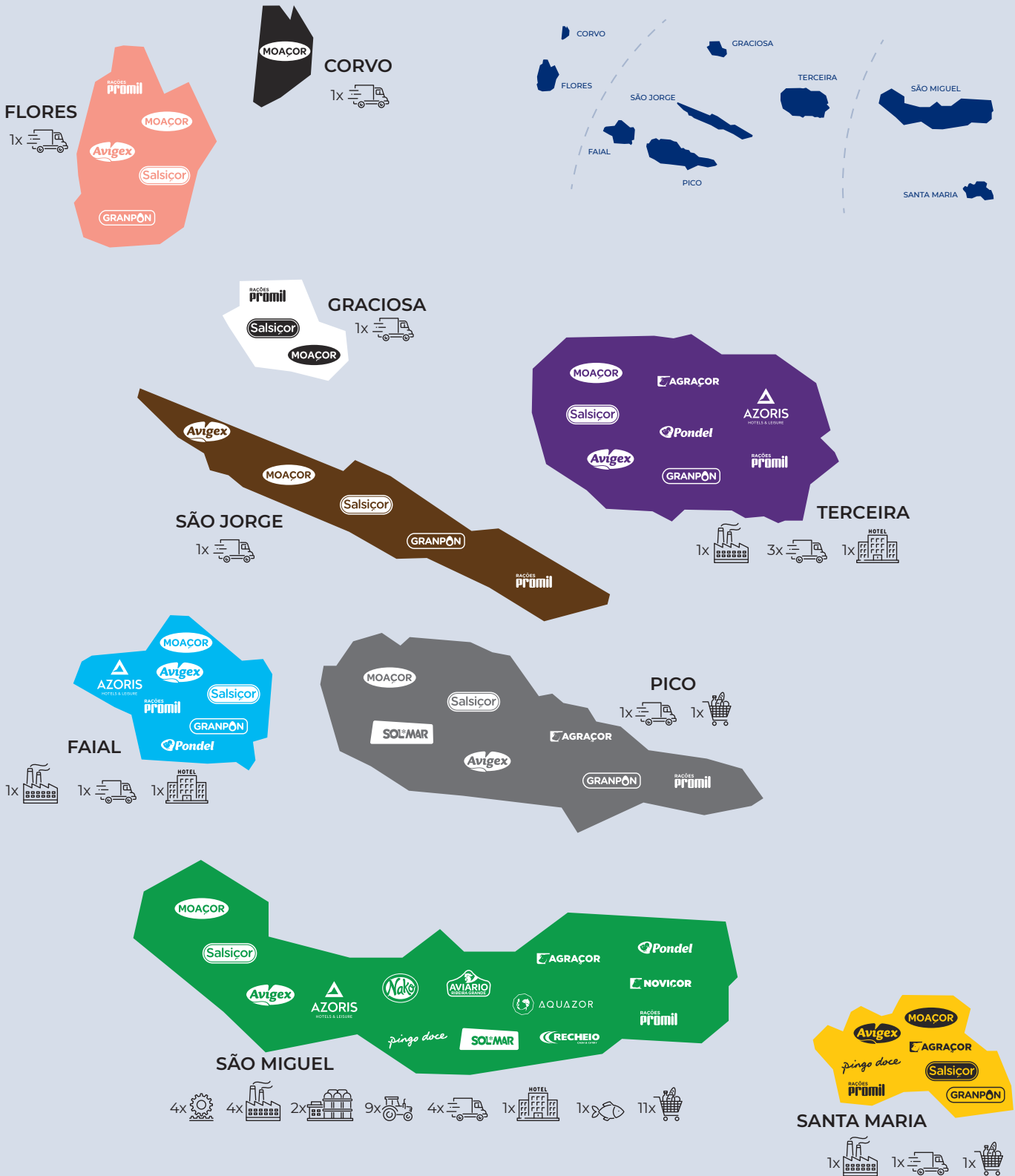
Azoris Hotels&Leisure brand

Strong investment in the Azores as a destination



The Group is present on all of the archipelago's islands, having industrial diligences in São Miguel, Santa Maria and Terceira. Smaller facilities are also present on the islands of Faial, Pico, São Jorge and Graciosa — as seen below.

ARCHIPELAGO OF THE AZORES



SUBTITLE



Mission, vision and values

We believe that promoting competitiveness and business development in a frame of sustainability principles allows us contribute to better and fairer manifestation of reality. It is predicated on this belief that we have established a set of values paramount to our mission of “creating long-term sustainable value”.



Ethics



Integrity



Ambition



Innovation

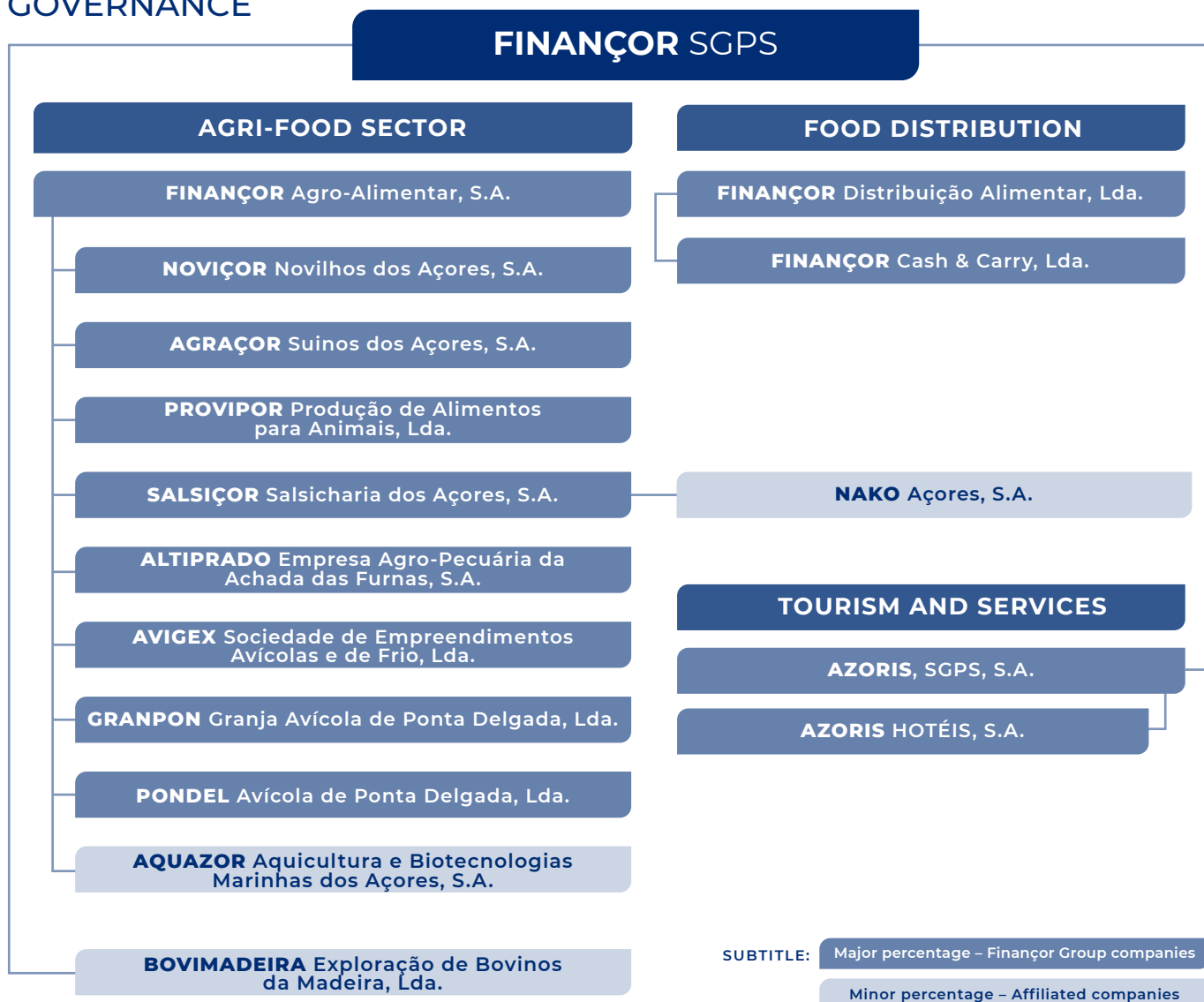


Creativity

We work to create long-term sustainable value: for our clients and consumers, our employees and stakeholders, as well as for a more just surrounding society

Governance, ethics and Group policies

GOVERNANCE



The Group understands that the concepts of effective management culture and adequate governance profile are strictly related to the promotion of sustainable development. For this reason, the Administration Board (AB) and the administrative structures conduct their activities in rigorous consonance with the principles of sustainable development and recognize the importance said principles represent to an efficient business strategy.

Each Finançor Group company comprises their own administration board, existing, therein, a total of 10 administrators — itemized below.



**José Romão
Leite Braz**
Vice-President of the
Administration Board



**José Manuel
Almeida Braz**
President of the
Administration Board



**Bárbara Ana
Leite Braz**
Administrator



**Hugo Miguel Canaipa
de Oliveira Gonçalves**
Administrator



**Nelson Néri
Arruda Cabral**
Administrator



**Luís Miguel
Dias da Silva**
Administrator



**Victor Manuel
Pimentel Rezendes**
Administrator

On December 31, 2022, the following members integrated administration boards within the Group with no exclusivity:

António Manuel Matoso Barracho

Isabel de Mendonça Ferreira Pinto Vasconcelos e Sá

José Pedro Lopes Trindade

SUSTAINABILITY GOVERNANCE

In the Group's highest echelons, the management of sustainability is warranted by the Executive President. Regardless, the AB President and the remainder of the administrative personnel also participate and contribute to the management of sustainability issues.

MATERIALITY ASSESSMENT

The materiality assessment was undertaken with the participation of the members of the AB, who ensured the review and approval of the results of said diligence.

SUSTAINABILITY REPORT

The sustainability report is reviewed and approved by AB Vice-President, and remaining members, so as to ensure the information of its content is accurate and in accordance with the Group's strategy and principles.

STRATEGY OF SUSTAINABILITY

The AB participated in the inception of the strategy of sustainability and follows the aftermath of its implementation through the reports made by the designated task force.

Two Administrators were nominated to safeguard the surveillance of the activities inherent to GRACE – Empresas Reponsáveis program—to which the Group has adhered.

To manage economic, social and environmental issues, a Sustainability Task Force was appointed in 2020. This group is responsible for managing the process of implementation of the Strategy of Sustainability, as well as the unfurling of the Sustainability Report—a task carried alongside specialized employee groups of each sector and department, thusly organised:



The aforementioned task force regularly reports to members of the Administration Board about the implementation progress of the Strategy of Sustainability, so as the AB can follow, allocate and manage the necessary resources inherent to these issues.

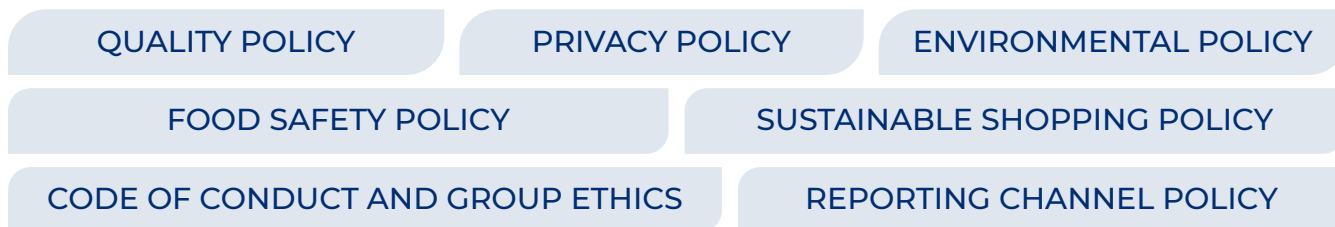
SUSTAINABILITY BOARD

In 2022, the Finançor Group Sustainability Board was created. Its purpose is to aid and coordinate the sharing and communication between the task forces involved in implementing the Strategy of Sustainability and managing the Group's Sustainability Report.

CODES AND POLICIES OF THE FINANÇOR GROUP

In order to better disseminate the primary compromises that guide our agency, we have defined and implemented several instruments of communication — internal and external — through our corporate website.

The set of instruments — Codes and Policies¹ — that represents the foundation of our agency are:



ETHICS

The Group has adopted a multiplicity of measures, so as ensure all operation abide by the most recent legislative updates² on corruption prevention and complainant protection.

Our **Finançor Group Code of Conduct and of Corporate Ethics** (CCCE) was published in 2022, in order to establish a set of principles, values and conduct rules that would comprehend the issues of professional ethics encompassing both employees and administrators.

This new document was published internally, but also externally — on our website. In addition to the CCCE, the Code of Work Conduct and of Harassment Prevention is also in effect in all of the Group's companies.

In order to ensure the CCCE was a part of everyone's knowledge, it was affixed throughout the several work places and sent to all employees via email. Complementarily, regular on-the-job training is to be undertaken by all employees on the subjects portrayed in this document.

In addition, the Group has implemented **Reporting Channels**, through which suspicious behaviour and improper conduct can be reported. The reporting process through these channels is carried out by filling in an online form, made available on the website of all companies subject to this policy.³ The purpose of these forms is that of securing the delivery and disclosure of the written complaint reports: this guarantees their completeness; their integrity and protection; the confidentiality and anonymity of the reporter; and the confidentiality of third-parties. It also prevents the access of unauthorized people to the information contained in **Reporting Channels**. These channels also subsume their own policies — which can be found on the website — thus assuring the total transparency of the described process and procedures.

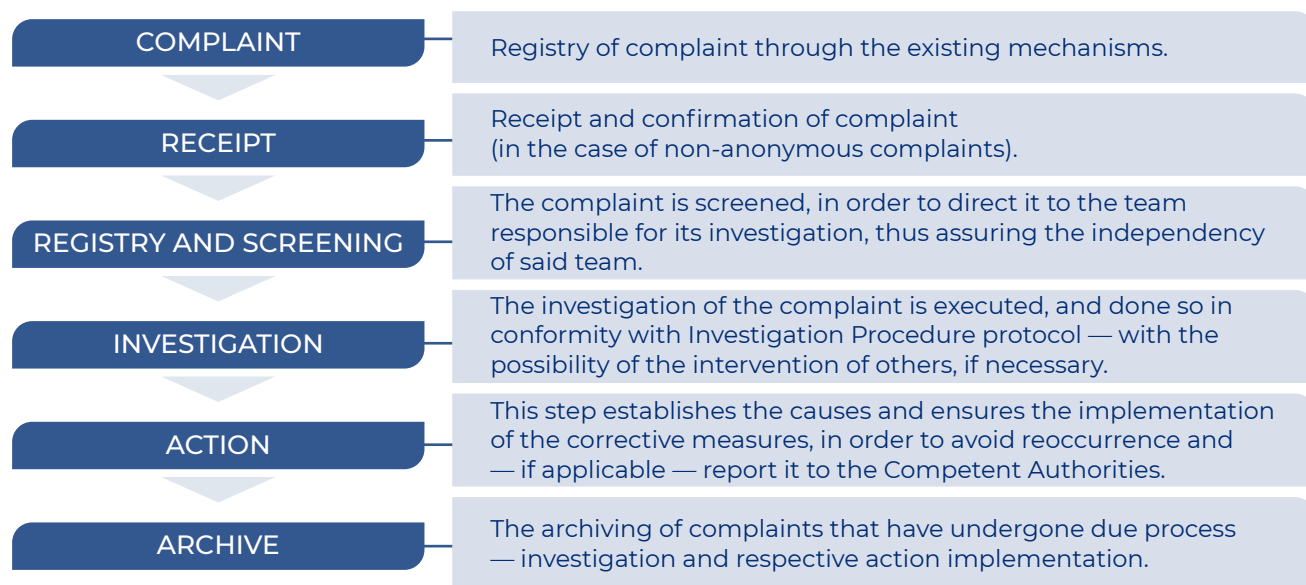
¹ In the Finançor Group there are common Codes and Policies — establishing principles and manner transversal to the entire Group — and there are particular Codes and Policies — ones designed for the context and specificities of each of Group's companies.

² Decreto-Lei n.º 109-E/2021, de 09/12 e a Lei n.º 93/2021, de 20 de dezembro.

³ The companies subject to this policy are: Finançor Agro-Alimentar, S.A., Nako Açores, S.A., Salsiçor – Salsicharia dos Açores, S.A., Salsiçor Terceira, S.A., Azoris Hotéis, S.A., Finançor Cash & Carry, Lda. and Finançor Distribuição Alimentar, Lda.

In 2022, the members of the group responsible for handling the reports received specific training in the procedures and best practices regarding said reports. This team is composed by several members of the various areas of the Group, so as to ensure a multidisciplinary perspective on the issues at hand.

Whenever a complaint or report is filed, the members assemble. Should the justification of these be verified, a report containing all the corrective measures is issued.



In 2022, the year of the channel’s implementation, a complaint was received: however, since the reported situation was still being processed during the formulation and publishing of the present report, we have opted to exclude the aforementioned complaint of said report. This measure also ensures the anonymity of complainer (seeing it as an isolated event).

CYBERSECURITY AND INFORMATION PRIVACY

Cybersecurity and Information Privacy are issues of paramount importance to the Finançor Group — not only because of responsibility involved in handling the information entrusted to us (such as personal data), but because of the imperativeness of safeguarding information that may jeopardize the development and continuity of our business.

BOARD OF INFORMATION SYSTEMS

In 2022, the Finançor Agro-Alimentar Board of Information Systems was created. This enabled an efficient implementation and monitoring of the practices e pre-requisites pertaining to safety of the Finançor Group information and data.

Thanks to the various mechanisms deployed by the Finançor Group, there were no records of data leaks or information breaches of any kind in the years of 2021 and 2022. Through these mechanisms, we were able to identify attempted attacks—which were not fruitful due to the efficacy of the defences put in place.

Given this scenario, we promote internal employee training on privacy and personal data protection. During the welcoming process, all active protocols and procedures are thoroughly explained to guarantee the adoption of the best possible practices.

In order to lessen or eliminate the aforementioned risks altogether, internal audits are conducted on these matters, as well as several interventions designed to raise employee awareness.



Legenda: Exemplo de alerta de cibersegurança enviado aos colaboradores.

CYBER SAFE EMPLOYEE

During the last years, cybercrime has reached record levels throughout the entire corporate sector. This reality not only represents significant jeopardy for the business' sustainability, but it also helps create a domino effect that encompasses suppliers, partners and clients. Aware of the importance of information, the Group implemented an Information Security Management System (ISMS) in 2019—one transversely active through all of the Group's companies.

In addition to the technologic and governance aspects of it, the ISMS considers that human resources constitute a key part in an effective information security strategy. As such, we've striven to have our people engage in cybersecurity training and awareness.

TRAINING

90%

of employees were engaged in internal cybersecurity training

AUDITS AND SIMULATIONS

94%

success rate in internal audits

99%

success rate in phishing simulations

Sectoral partnerships and compromises

SECTORAL PARTNERSHIPS

A colaboração e o esforço concertado entre *stakeholders* são exercícios que reconhecemos como decisivos para o sucesso do negócio. É por esse motivo que integramos diversas associações setoriais que promovem sinergias de inovação e desenvolvimento comum.

Partnerships	Associated companies	BA Participation
IACA - Associação para a investigação e inovação em nutrição e alimentação animal (Portuguese Association for Innovation in Nutrition and Animal Feed)		Romão Braz (President of the Board)
FEEDINOV - Associação para a investigação e inovação em nutrição e alimentação animal (Portuguese Association for Innovation in Nutrition and Animal Feed)		Romão Braz (President of the Board)
FEFAC - European Feed Manufacturers' Federation		Romão Braz (Member of the Administration Board)
CCIPD - Câmara do Comércio e Indústria de Ponta Delgada (Ponta Delgada Chamber of Commerce and Industry)	 	
ANCAVE - Associação Nacional dos Centros de Abate e Indústrias Transformadoras de Carne de Aves (National Association of Slaughterhouses and Aviary Meat Processing Industries)		
ALISP - Associação Livre Suinicultores (Independent Association of Pig Farmers)		
APIC - Associação Portuguesa dos Industriais de Carnes (Portuguese Association of Meat Industrialists)		
AHP - Associação da Hotelaria de Portugal (Portuguese Hotel Association)		Romão Braz (Vice-President of the General Assembly)
VISIT AZORES Antiga ATA - Associação do Turismo dos Açores (Tourism Association of the Azores)		
GRACE - Empresas Responsáveis (Adesão em 2022) (GRACE – Responsible Companies; member since 2022)		
APQ - Associação Portuguesa para a Qualidade (Adesão em 2022) (Portuguese Association of Quality; member since 2022)		

ADHERENCE TO GRACE – EMPRESAS RESPONSÁVEIS (GRACE – RESPONSIBLE COMPANIES)

We adhered to GRACE – Empresas Responsáveis as a member in 2022, a corporate association engaged in the areas of social responsibility and sustainability. GRACE provides support to several industry sectors and world-wide companies, helping them transform and search of practical solutions for sustainable development.

Said membership enabled us to participate in the organization and launch of the Azorean Cluster in December of that same year — a cluster comprised by over nine Azorean companies.

The GRACE clusters are composed by work groups wherein participants get together to share good practices, create synergies and develop outputs capable of inserting the 2030 Agenda and ESG issues as priority in their companies. These work groups can be sectorial, regional, thematic or of SDG.

The Azorean Cluster, of which we are proudly a part, is constituted by companies with substantial agency and relevance to the region. Its goal is to promote the assertion of regional entities as relevant and undeniable players in a more sustainable corporate structure.

ADHERENCE TO THE ASSOCIAÇÃO PORTUGUESA PARA A QUALIDADE – APQ (PORTUGUESE ASSOCIATION OF QUALITY)

We adhered to Associação Portuguesa para a Qualidade – APQ as a member in 2022. The APQ then took on a role of responsibility for the Regional Delegation of the Azores—due to the part it plays in the promotion of quality in the entrepreneurial setting. In this scope, the APQ’s goal is that of assuring the compromise between quality strategies and of analysing the viability of a concerted action in the various issues of quality in the Autonomous Region of the Azores.

With the motto of the APQ’s mission for next three years in mind—“Creation of groups that promote quality in the Autonomous Region of the Azores”—the membership of Finançor will enable the Group’s promotion and participation in the debate of quality issues, in a set of actions, and their respective implementation in the Azores.

Given this step, we intend on occupying the position of mobilizing vectors in the quality of the Agri-Food and Tourism sectors.

THE PARTICIPATION OF FINANÇOR IN THE QUALITY DAYS INITIATIVE

The Quality Days initiative was an event organized by the APQ's Azorean Delegation in October of 2022. Its theme was "Quality as galvanizer of productivity".

The Quality Days format was hybrid, both online and on-site. The event had a total of 177 participants.

We were "golden" sponsors of the event. We also occupied a seat at the roundtable, where we debated sustainability and innovation in the Agri-Food sector: an event in which we take great pride, seeing as we consider quality to be an element of our culture and DNA.

The Quality Days initiative was also an opportunity to share our practices and the concrete statistics of these issues and themes. Our presentation was predicated on the information regarding the 2020 Finançor Sustainability Report and was undertaken by the head of the Finançor Sustainability Task Force.

The Finançor Agro-Alimentar — Complexo Industrial de Ponta Delgada organized an Open-Day for all of the Quality Days participants, in which those interested would have a chance to visit our facilities and get to know the industrial process of Milling and Cookie and Cracker Production.

In addition to all of this, another event was also promoted regarding the adherence of Finançor and 12 other companies to the Promoter of Quality in the Autonomous Region of the Azores initiative. This milestone was officialised by the signing of the Commitment Letter for Quality. This compromise will facilitate and motivate the promotion of a set of actions designed to increase productivity and sustainability in the Autonomous Region of the Azores.



COVENANTED COMPROMISES

• The Azores Primer for Sustainability

The Azores Primer for Sustainability is a project of Regional Government of the Azores, which started in December of 2017. Its goal is that of engaging the entities and organizations of the Autonomous Region of the Azores into integrating the SDG, thus contributing to the region’s development. Another goal is that of kindling the competitive differentiation that can grant the Azores the position of being the first archipelago in the world to achieve the international Sustainable Tourism Destination certification. Finançor was a founding member of this Primer, undertaking its compromises right from the start—in 2017. Currently, the project is undergoing revision: the submission of the new and updated Azores Primer for Sustainability took place in January of 2023.

Certifications

In the Finançor Group, we perceive certification processes as an essential instrument for the establishment of a trustful relationship with our clients and as a most relevant instrument for us to learn and continuously improve our practices.

For this reason, we have invested in the certification of several of our companies and of our overall criteria—should these be applicable and in accordance with our business areas. Regardless of fact that not all our companies are certified in accordance with the criteria shown below, we strive to disseminate the respective principles, processes and good practices they subsume throughout all our companies.

	ISO 9001	ISO 14001	ISO 27001	HACCP	IFS	MIOSÓTIS AZORES	ANIMAL WELFARE
AZORIS HOTÉIS	●	●		●		●	
ALTIPRADO							●
AVIGEX	◡						
SALSIÇOR	●						
NAKO	●						
FINANÇOR CASH & CARRY				●			
FINANÇOR AGRO-ALIMENTAR	●	●	◡		○		

◡ IN PROGRESS
 ○ IMPLEMENTED
 ● CERTIFIED

ANIMAL WELFARE @ ALTIPRADO CERTIFICATION

Altiprado is certified by the Certified **Animal Welfare Approved by AGW** since 2019. This is a certification accredited by Consumer Reports that pertains to the welfare of dairy cows, either in extensive or semi-extensive farming systems. It is an independent and non-profit certification program. Out of the existing five, its adherence and worldwide expansion surpasses the remaining programs.



The certification guarantees that animals are raised free-range on outdoor pasture during the entirety of their lives, through the employment of truly sustainable farming techniques and of high-welfare standards. According to the Hartman Group, this AGW certification requires periodic auditing of the practices of production, transportation and slaughter, and it is known to significantly impact consumers’ choice upon purchase more than any other food label.

The Certified Animal Welfare Approved by AGW standards was created in collaboration with scientists, veterinarians, investigators and farmers, so as to give way to the best “good-sense” and practical methodologies possible — ones based on the regional specifications and realities of every-day dairy farming life.

• Audits

In line with the Group's principles of continuous improvement, we engage in frequent auditing. This assures that the practices we've adopted are in accordance and conformity with legal requirements, as well as with the requirements of the implemented certifications.

In addition, we are also frequently audited by our suppliers: for we understand the responsibility we have on the impacts caused on our supply chain — and, consequently, on our activity.

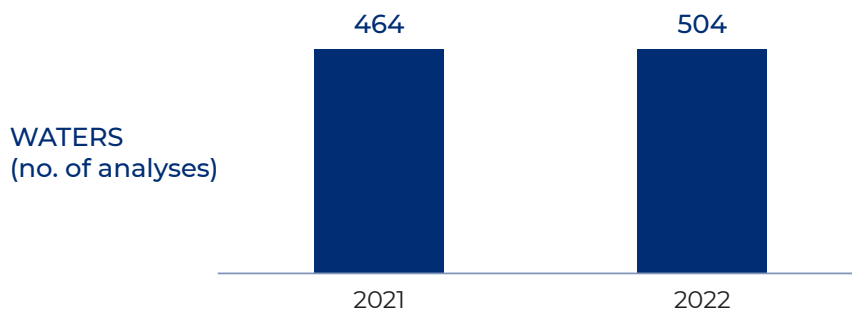
	2021	2022
INTERNAL	109	91
EXTERNAL	19	20
SUPPLIERS	17	14

• Analysis

In order to assure the quality and safety of products and services, we execute continuous analyses of various natures. These can be compartmentalized into two larger groups:

• Waters

The category under which we conduct analyses on water—drinking water and effluents;



• Raw materials, products and stores

The category under which we conduct chemical and microbiological testing on various elements of our business: such as products, stores, raw materials, frozen-foods, labels, pesticides and contaminants, among others.



Our Strategy



Sustainability Strategy of the Finançor Group

In alignment with our mission of creating sustainable value, we have established the Finançor Group 2021-2024 Sustainability Strategy. This structure of this strategy stems from four basal pillars, and it was defined in accordance with the results of the monitoring of stakeholders (vide Stakeholders Engagement), the analysis of materiality (vide Materiality Assessment), and the identification of primary SDG (vide Sustainable Development Goals).

So as to put the Strategy in motion, we established a set of principles, to which a set of actions was attributed—thus ensuring the execution of said principles. To illustrate, the tables below show the compromises and KPI that reflect our performance, and its alignment with the established compromise. It also illustrates the evolution of indicators during the period comprehended in this report.

Businesses				
SDG	COMPROMISE	KPI ¹	2022 RESULT	2021 EVOLUTION
	To assure the vision and mission of the Finançor Group;	Direct economic value generated;	218 368 025 €	↑
		Distributed economic value;	203 200 624 €	↑
		Cumulative economic value;	15 167 401 €	↑
	To promote ethical values in the relation with stakeholders through a transparent communication of the Group's performance.	Sustainability report;	✓	-
		Employees that received ethics training.	*2	-

¹ So as to better reflect the Group's practices and performance evolution regarding sustainability issues, some of the shown KPI were adjusted.

² Upon the creation of the Code of Ethic and Reporting Channel, the implementation of general training encompassing all employees was also designed.

People and Community

SDG	COMPROMISE	KPI	2022 RESULT	2021 EVOLUTION
	Strengthening the human resources valorisation policy throughout all Finançor Group companies;	Employees subject to performance evaluation;	94%	=
		Planned training and awareness events;	74%	↓
		Turnover rate;	33%	↑
	Adoption of zero accidents policy and culture;	Work accidents;	89	↓
		Severity rate;	1 283	↑
		Frequency rate;	33,1	↓
	Strengthening partnerships with other organizations that also promote community development;	Partnerships with local entities;	54	↑
		Granted sponsorships;	162 723 €	↑
	Community.	Materialized campaigns — volunteering.	A group of 120 volunteers donated a total of 14.265 gallons.	↑

Clients and Consumers

SDG	COMPROMISE	KPI ¹	2022 RESULT	2021 EVOLUTION
	Reduce the number of complaints;	Complaints;	315	↓
	Continuing the promotion of food safety throughout the entire value chain;	Complaints related to food safety;	17	↓
		Percentage of the Group's business volume accredited by certification;	55%	↑
	Developing products, procedures and sustainable measures that are able to answer the needs of our clients and consumers;	New products developed in accordance with sustainability requirements;	Pre-sliced white bread; pork hamburger.	-
		Sustainable initiatives implemented;	41%	-
	Implementation of improved animal welfare practices.	Technical visits of payed veterinarians.	3 572	↑

Ambiente

SDG	COMPROMISE	KPI	2022 RESULT	2021 EVOLUTION
 	Promotion of a circular economy and the reduction of food waste;	Initiatives to implement food waste reduction and the utilization of by-products;	Partnerships established;	-
	Development of a plan to reduce the emission of green-house gases;	GHG emissions – scope 1 and 2;	16 993 tCO ₂ e	↓
		GHG emissions – scope 1 and 2/direct economic value generated;	0,00008	↓
	Guaranteeing that the packaging of all Finançor Group products is recyclable, reusable and/or biodegradable;	Initiatives towards the implementation of recyclable, reusable and/or biodegradable packaging;	One product brand (Moaçor flour package);	-
	Reduction of grid-water consumption per unit produced;	Rainwater harvesting (ft ³)/direct economic value generated;	0,04025872006 (ft ³)	↓
	Investing in projects/systems of environmental management;	Companies certified by ISO 14001;	2	=
	Implementation of sustainable management practices in farming and forest protection;	Investment in farming;	Forest management plan submitted for the approval of the DRF;	-
		Trees planted	*3	-
	Increase the self-production of renewable electric energy.	Renewable energy consumed;	6%	↑
		Electricity produced.	6 095.68 GJ	↑

SUBTITLE:

- ↓ ↑ POSITIVE EVOLUTION
- ↑ ↓ NEGATIVE EVOLUTION
- = NO EVOLUTION

³ The forest management plan is still pending approval.

Strategy of Sustainability Monitoring

Activities pertaining to the Sustainability Strategy are coordinated by the Sustainability Task Force approved by the Finançor Group Executive President. Currently, the Strategy and its respective operationalization are constituted by:



There have been several meetings conducted since the approval of the Sustainability Strategy, to discuss and monitor the evolution of the strategy's activity plan—either with the various task forces or with the Administration Board. Frequent monitoring enables a larger adjustability of activity plans, as well as a more efficient resource allocation.

Sustainable Development Goals

Through our activities, we aim to contribute to the Sustainable Development Goals of the 2030 Agenda. During a stakeholder monitoring that took place in 2021, the following SDG were identified as most pressing:

- SDG 7 – Affordable and clean energy;
- SDG 8 – Decent work and economic growth;
- SDG 9 – Industry, innovation and infrastructure;
- SDG 12 – Responsible consumption and production;
- SDG 13 – Climate Action.

In order to align our activity with the 2030 guidelines, we saw fit to identify the primary SDG targets to which we intend/are able to contribute, but also the desired contributions to these goals. As an example, out of these goals, we can highlight the subscription to the first regional initiative pertaining to sustainability: the Azores Primer for Sustainability, the goals of which comprehend a quicker local implementation of the SDG and the assurance of the region's contribution to the 2030 agenda (vide Sectoral partnerships and compromises > Covenanted compromises).

Prioritary SDG



Targets:

“Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.”

“Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.”

Finançor Group's contribution:

7. Environment



Targets:

“By 2030, substantially increase the share of renewable energy in the global energy mix.”

“By 2030, double the global rate of improvement in energy efficiency.”

Finançor Group's contribution:

7. Environment



Targets:

“By 2030, achieve the sustainable management and efficient use of natural resources.”

“By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.”

“By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.”

“By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.”

Finançor Group's contribution:

7. Environment



Targets:

“By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.”

Finançor Group's contribution:

4. Business
7. Environment



Targets:

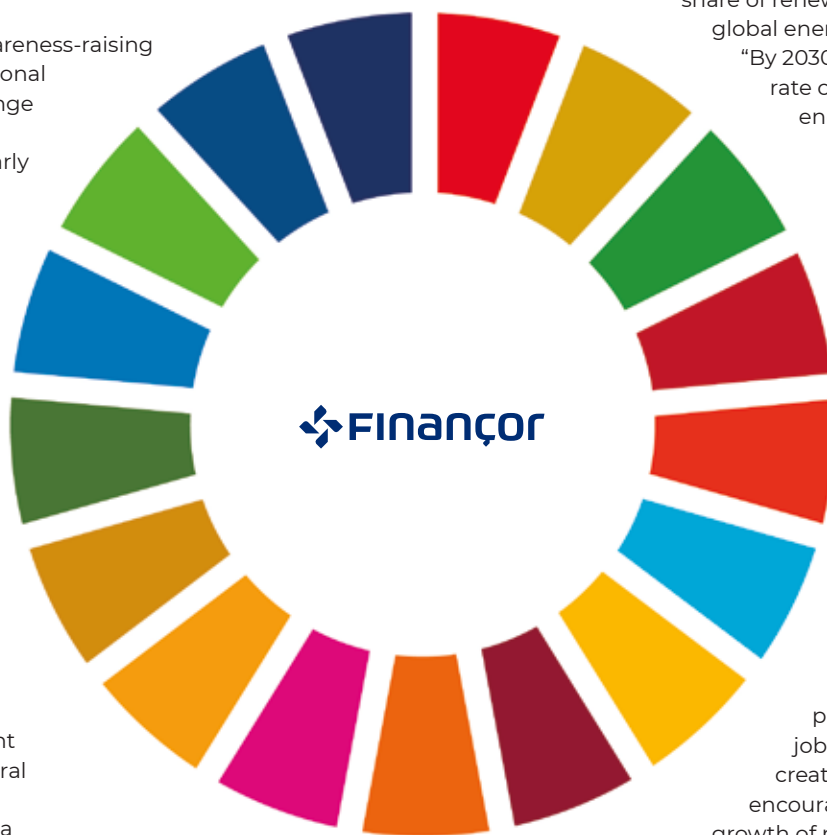
“Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small and medium-sized enterprises including through access to financial services.”

“Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.”

“By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.”

Finançor Group's contribution:

2. About the Finançor Group
6. People and Community



Stakeholder engagement

For the Finançor Group, the relation with stakeholders is regarded as an element of paramount importance, thus constituting a part of our strategy. In light of this, we strive to promote relations established on transparency, proactivity and collaborative spirit. We have identified the prime stakeholders based on the following criteria: importance, relevance and influence. This exercise resulted in the list exposed below. Furthermore, the ultimate goal of identifying the primary stakeholder groups is to define, in collaboration with them, a more significant approach and engagement. Notwithstanding this identification, we aim to remain ever available to listen, collaborate and engage with other stakeholder groups that may show an interest in doing so.

Clients and Consumers



Stakeholders



Employees



Partners and Suppliers



Scientific Community



Local and Central Administration



Local Community



Financial Institutions



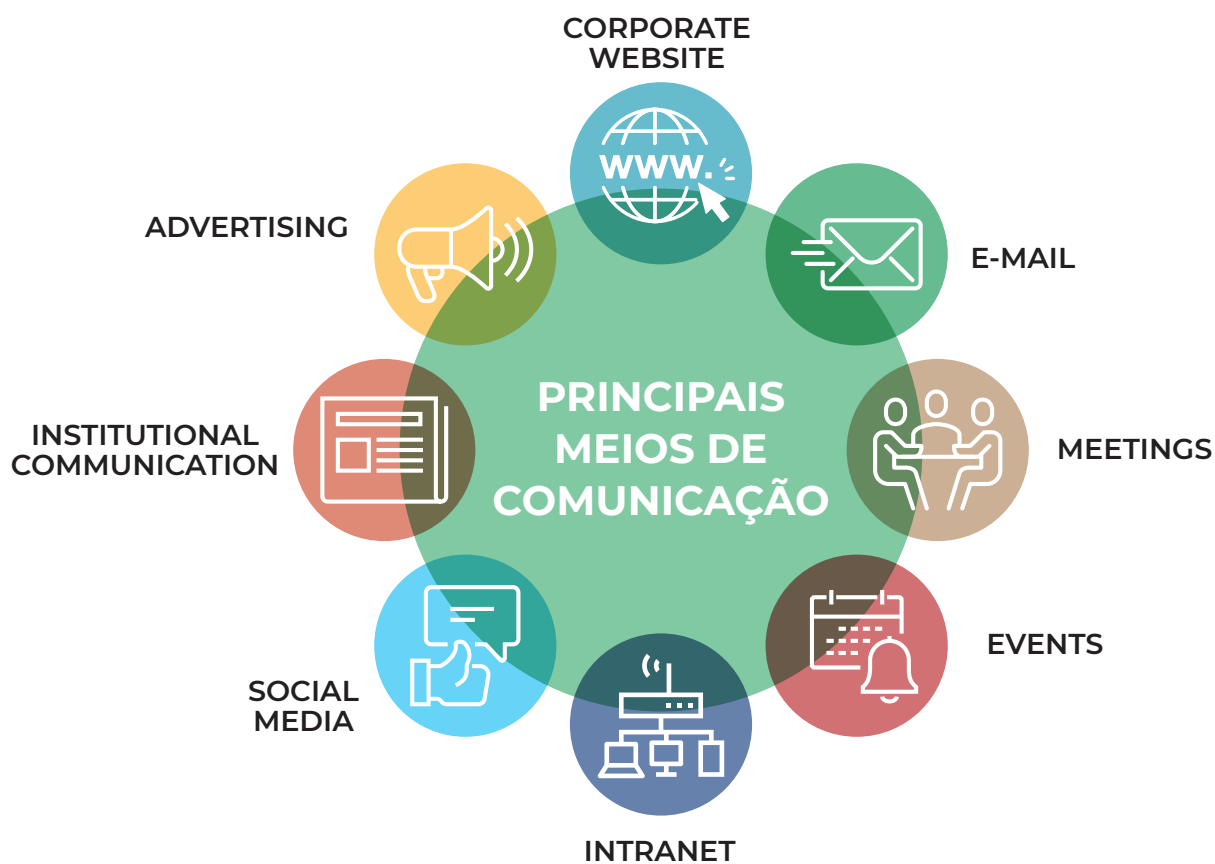
Sectorial Entities



Media






In order to ensure the best possible relation and communication with stakeholders, as well as identify their needs and expectations, we provide a vast array of media.



2023 Stakeholder Monitoring

In 2021, a stakeholder monitoring took place—one we have decided to deepen in 2023. The purpose of this monitoring was to include stakeholder contributions from two companies that have, in the meantime, been acquired by Finançor: Finançor Distribuição Alimentar and Finançor Cash & Carry.

HIGHLIGHTS FROM THE 2023 STAKEHOLDER MONITORING

STAKEHOLDERS' PERCEPTION	 <p>83% of stakeholders consider that the Finançor Group is an active, or extremely active, organization in the economic dimension.</p>	 <p>62% of stakeholders consider that the Finançor Group is an active, or extremely active, organization in the social dimension.</p>	 <p>55% of stakeholders consider that the Finançor Group is an active, or extremely active, organization in the environmental dimension.</p>
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The top 10 most relevant issues for the Finançor Group stakeholders include:

ISSUES	<ul style="list-style-type: none"> Economic performance and value creation; Service and product labelling; Customer privacy and data security; Mission, vision and strategy; Ethics and transparency. 	<ul style="list-style-type: none"> Customer satisfaction and product and service quality; Food safety; Health & Safety and employee well-being. 	<ul style="list-style-type: none"> Sustainable hotel businesses; Food waste reduction.
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2023 Sample: 24 stakeholders | Answers: 20 | Answer rate: 83%
 Total sample (2021 & 2023): 104 stakeholders | Answers: 74 | Answer rate: 71%

Business



Material Issues	SDG
 Mission, vision and strategy  Ethics and transparency	
Compromises	
<p>o assure the mission and vision of the Finançor Group; Promote ethical values in the relation with stakeholders through a transparent communication of the Group's performance.</p>	
Main initiatives	Most relevant KPI—2022
<p>FeedInov – Collaboration Laboratory</p> <p>Establishment of a Sustainable Shopping Policy</p> <p>Precision Animal Nutrition: new ingredients</p>	<p>218 368 025 € of direct economic value generated (21% YoY)</p> <p>89% local suppliers: regional and national (-1% YoY)</p>

Value Creation

The Finançor Group chain of value spans “farm to table”, thus generating considerable synergies through strong vertical integration.

The group’s activity begins in the responsible sourcing of raw materials and ends with the food products’ final consumers—encompassing all of the chain’s intermediate steps: animal nutrition, primary production, and the processing of animal and vegetable products (cereals).

Circular economy is a founding principle in the Group’s activity: we use a large majority of the by-products generated through the value chain. Examples of this are the energetic valorization of the biomass resulting from pig farming, the usage of wheat middlings in animal feeding, or the reprocessing of fresh foods throughout the various activity areas—such as hotels, restaurants and food distributing services. These are measures that significantly reduce the potential waste.



↑ Emissões de CO₂
 ↓ Sequestro de CO₂

1 RAW MATERIAL SOURCING

Raw materials

- Cereals
- By-products of Cereals
- By-products of Oilseeds

2 INDUSTRY AND PROCESSING

Animal Feed

- Quality Control
- Animal Nutrition
- Precision Animal Nutrition

3 PRIMARY PRODUCTION

Agriculture

- Dairy Cattle
- Beef Cattle
- Swine Livestock
- Poultry
- Aquaculture (I&D)
- Forest

4 INDUSTRY AND PROCESSING

Foodstuffs

- Meat and Processed Meats
- Eggs
- Flours
- Cookies
- Baked Goods

5 FOOD DISTRIBUTION

Supermarkets and Cash & Carry

- Fresh Products
- Takeaway
- Frozen Foods
- Various other Retail Food Products

6 TOURISM

Hotel Business

- Accommodation
- Restaurants
- Events
- Leisure

7 OTHER ACTIVITIES

Valorisation of Organic Waste

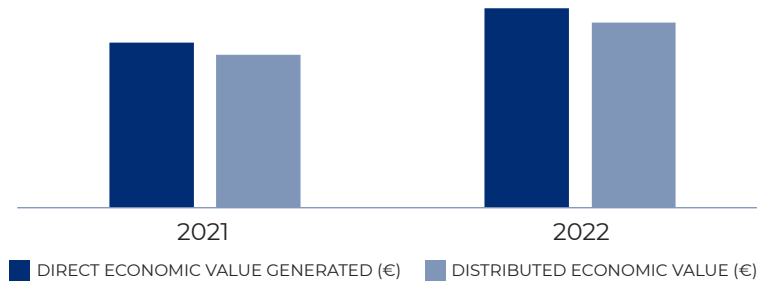
- Electric energy (Biogas and photovoltaic)
- Organic Fertilizer

Economic performance of the Group

In the Finançor Group, we strive to create value through our activity and through the economic value that the Group promotes in the regions and communities it operates. As such, economic performance manifests as relevant for the Group and the continuity of its activity, as well as to its success in the promotion of sustainability.

In 2022, our total revenue amounted to 218.368.025€ (21% more than in 2021). Around 84.6% of the distributed economic value (203.200.624€) went to operational costs; 12.9% went to employees' salaries and benefits. The remaining percentage is distributed between supplier investor payments, government taxes, donations and other investments in the community.

ECONOMIC PERFORMANCE OF THE GROUP (€)

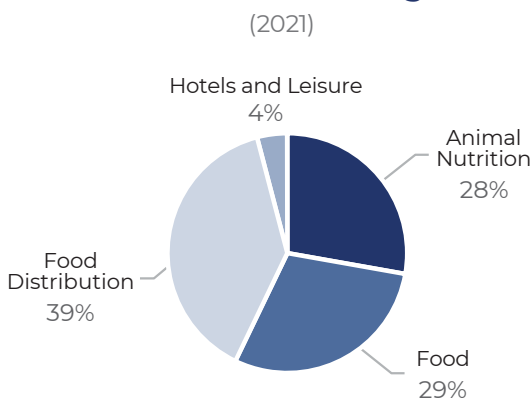


DISTRIBUTED ECONOMIC VALUE

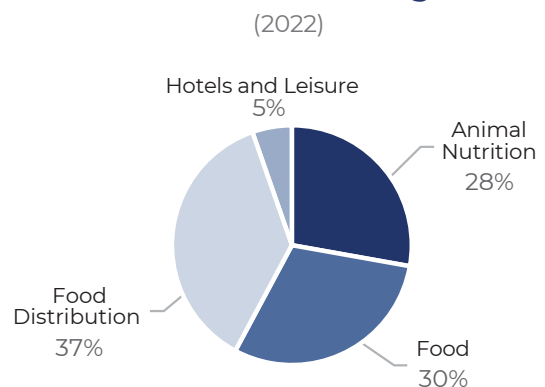
	2021	2022	Fluctuation 21/22
Operational costs (€)	140.499.986	171.924.474	22,4%
Employee salaries and benefits (€)	23.008.605	26.112.881	13,5%
Government taxes (€)	1.520.044	2.283.387	50,2%
Pagamentos ao Estado (€)	2.514.222	2.712.106	7,9%
Donations and other investments in the community (€)	120.421	162.723	35,1%

GENERATED ECONOMIC VALUE BY AREA OF BUSINESS

Direct economic value generated (2021)



Direct economic value generated (2022)



Our Products and Service

ANIMAL NUTRITION AND PRODUCTION

ANIMAL NUTRITION

The formulation of animal feed is essential for the reduction of the environmental impacts associated with animal production. However, knowledge regarding animal nutrition is seemingly still limited when considering what actually occurs during the process of production. In the EU, 96% of animal feed ingredients are “human-inedible”, thus not suitable for human consumption. This evidence supports the idea that animal nutrition does not compete with human nutrition for the availability resources, and that it can also be a propeller of circular economy.

Finançor Agro-Alimentar operates in the animal feed compost industry under a plurality of distinct brands, thus providing a set of nutritional solutions that can prove advantageous for farmers of different types of animals. Complementarily to the already existent and abundant ever-green grass of Azorean pasture, Finançor provides compost feed for bovine cattle that includes a large selection of feeds for dairy cows, raising the bar of precision animal nutrition quality and contributing to the sustainability of the most important sector in this region (for more information on this topic, follow the subchapter “Precision Animal Nutrition”). Our portfolio also contains several other compost animal feeds—such as for pigs, poultry, sheep, goats, rabbits and horses.



Company: **FINANÇOR AGRO-ALIMENTAR**

Brands:



ANIMAL PRODUCTION

The sector of animal production is one of the pillars of the food industry, and contributes to the mitigation of poverty, to the improvement of food safety, as well as to agricultural development. According to the FAO (Food and Agriculture Organization of the United Nations), this sector contributes to 40% of the world’s agricultural production and helps provide nutritional sustenance and safety to almost 1.3 billion people. Along these lines, our role and compromise with nutritional and food safety, as well as with agricultural development through animal production, is one we face with seriousness.

The Finançor Group is deeply invested in cow farming (Altiprado and Noviçor), pig farming (Agraçor and Provipor), poultry farming (Pondel and Grapon), and — more recently — aquaculture (Aquazor) (vide Investigation and Development in Aquaculture).

RESPONSIBLE UTILIZATION AND REUTILIZATION OF DRUGS IN ANIMAL PRODUCTION

Aiming the responsible reduction of the use of drugs through the improvement of facilities, better handling practices, and of through the use of probiotics or other organic products, the Group’s units of animal production have reduced antibiotic administration up to 70% between 2019 and 2022.

In Finançor, antibiotics are solely used for therapeutic and animal welfare purposes, and always with the prescription of a medical veterinarian.

	2020	2021	2022
Medicated Feed Sales (ton)	5.100	3.960	2.641
Percentage of Medicated Feed (over the total of sold feed)	3,39%	2,68%	1,95%

The conditions in which animals are kept are paramount to their welfare, health and nutritional safety — as well as to the quality and value of food products. With this in mind, we have established approaches that are more consistent with our principles in the various areas of animal production.

Bovines

Altiprado integrates the “Vacac Felizes” (Happy Cows) project, in which animal welfare is vital. Its ruling principle is that: a happy cow is one that provides more and better milk. This farming system ensures that animals:

- Roam-free and eat fresh grass 365 days a year;
- Live in community with other cows and are not subject to stress;
- Have permanent access to fresh clean water, and all the necessary hygiene and health care.

In the production of cows for fattening, we secure alignment with the applicable good practices by reducing the number of stationary animals (always providing fresh water and feed). We also secure the improvement of hygiene and health conditions through the pasturing of a significant part.



Poultry

To abide by the high standards of the legal requirements in force, our companies — Pondel and Grapon — have optimized animal density in all their pavilions. This can only be made possible through the installed automated ventilation systems, which enable a smooth circulation and renovation of the air, thus promoting the welfare and adequate temperature conditions of the birds therein. This ventilation system allows for the renewal of air up to 60 times per hour: the parameters of air quality are thusly guaranteed.

The companies' pavilions are equipped with systems of alarm and of emergency. In the case of a power outage, or of a temperature surge over the ideal conditions, an automated anti-choke system installed in the windows is activated — opening them.

We assure total compliance with the legal requirements pertaining to animal welfare, in that which is applicable to poultry farming and egg production. This reflects an alignment with the best possible practices, seeing as regulations have become increasingly complex and more demanding.

The maintenance and conditions of laying hens are essential in warranting their welfare, health, and — consequently — food safety. In both companies, all cages are in compliance with the established requirements: space per bird, height and cage declivity, number of drinking stations, feeder room, perch room, nests, beds, and claw scratching poles.

Throughout all our poultry companies, a vaccination program allows us to control the most common bird diseases, thus defeating the need for therapeutic use of antibiotics and, concomitantly, improving the birds' welfare.



AVIGEX PACKAGING ROOM MODERNIZATION

To efficiently optimize production, Avigex modernized its packaging room by getting new machinery: 1 packager, 1 calibrator, a deboning machine, and a box washing machine.

Pigs

Agraçor is known—by external, official, regulating and supervising entities—for its commitment and proactivity towards the practices of handling and welfare implemented in pig farming. Among them, we shed light on the following:

- Infrastructures and environments equipped with automated air cooling, circulation and renovation systems, which simultaneously reduce ammonia concentration and provide comfort to the animals therein;
- Gestating sows are left to free roam and provided with fresh water and feed;
- Vaccination and deworming of all animals;
- Abolishment of castration and of the removal of teeth to piglets;
- Adequate feed composed by quality raw materials, thus assuring all the nutritional needs of all stages of production;
- Incorporation of movable objects (paper sheets, smooth untreated wood, wood shavings, among others) to prevent situations of stress, cannibalism, and fights between animals;
- Animal densities below the ones required by law, allowing the animals even more usable space and comfort;
- No growth inducing substances in their feed;
- All animals are stunned before being slaughtered;
- Total restriction of unauthorized people and vehicles in the facilities, thus assuring an elevated sanitary statute to the production unit (biosafety).



Companies:

ALTIPRADO • NOVIÇOR • AGRAÇOR • PROVIPOR • GRANPON • PONDEL

Associated companies:

AQUAZOR

Brands:



FOODSTUFFS

The production of high-quality foodstuffs under optimal conditions has become a pivotal and fundamental factor in the food production sector. Sustainability, environmental protection, health, and well-being are also central aspects in defining the best approach to this sector. In addition, consumers grow ever more demanding in regard to food safety, production, processing and the commercialization of foodstuffs — the search is now for a balanced and healthy diet.

In Finançor, by establishing control over the entire value chain — “farm to table” — we can assure our clients that the products we sell are safe and of 100% Azorean origin — bristling freshness and quality.

A **Salsiçor** offers a wide range of meat and processed meat products — beef, pork and poultry. These products are marketed with the highest quality and safety standards.

By allying tradition to the best available technologies, **Finançor Agro-Alimentar** guarantees the quality and safety of their products — assorted flours and cookies — through a rigorous control of the involved processes.



Companies:

FINANÇOR AGRO-ALIMENTAR • AVIGEX • GRANPON • SALSIÇOR • PONDEL

Associated companies:

AQUAZOR

Brands:



FOOD DISTRIBUTION

In line with the aforementioned ambition of encompassing the entire chain of value — “farm to table” — our activity in the food distribution sector began in 2015.

Our performance in this sector first gained shape with the inauguration of Nako – Talho & Take Away. This project — in which Finançor participates as an associated company via Salsiçor — was truly challenging at first: at the time, it was an innovative concept in the Azores, particularly in São Miguel.

Since 2020, a new entrepreneurial project is at hands: one that ensued after the Group’s acquisition of the Solmar and Cash & Carry stores. The project’s main concern was that of renovating and investing in the existing physical stores; the Jerónimo Martins Group also integrates the project, by establishing the presence of their Pingo Doce products. Solmar has existed for over 30 years — with 12 stores across the islands of São Miguel, Santa Maria and Pico — and was always was a staple for quality and price competitiveness.

For the last two years at **Finançor Agro-Alimentar** — in accordance with plan of investments — we have renovated 4 stores. In these, we have implemented infrastructures that are more environment-friendly and that help eliminate butane and fluorinated gases. Work integration policies were implemented through a comprehensive training of employees on these various issues, so as to align the new reality of these stores with that of the Pingo Doce’s Culture of Sustainability. Be it in terms of logistics and operation, or in terms of compromises pertaining to sustainability strategies, our alignment is in conformity with the strategy of the Jerónimo Martins Group.

Nako offers a multiplicity of services in the same store: butcher and deli; a cafeteria with ready-made meals for in-store consumption or for take away; a minimarket of fresh and frozen goods; and a drive-through (Nako Drive) — all of them in accordance with the highest standards of quality and safety.

Companies:

FINANÇOR DISTRIBUIÇÃO ALIMENTAR • FINANÇOR CASH & CARRY

Associated companies:

NAKO

Brands:



HOTELS & LEISURE

The Azoris Hotels & Leisure brand’s slogan — “Experience the Power of Nature” — evokes respect and enjoyment for the unique nature our islands have to offer.

With a four star statute, these hotels have been renewed and designed to fulfil the needs of various segments: individual visitors, groups and business oriented purposes, and events for companies — among others. There are also conference and meeting rooms, rooms for parties or banquets, and other corporate and private events. All rooms are fully equipped with audio-visual material and adequate technical support.



3 HOTEL UNITS

- Azoris Royal Garden – Leisure & Conference Hotel
- Azoris Angra Garden – Plaza Hotel
- Azoris Faial Garden – Resort Hotel

4 STARS

444 ROOMS

902 BEDS

12 MEETING ROOMS

Purpose: Meetings • Congresses • Conferences and Lectures • Christenings
 Communions • Weddings • Caterings • Cocktail Parties • Birthdays and Anniversaries

Azoris Angra Garden is situated in the historical centre of Angra do Heroísmo which was granted the statute of World Heritage by UNESCO in 1983. Its last, and most substantial, renovation ended in June of 2018 — by which time the service payed to our guests and costumers earned another star for its distinct and modern concept and environment. The restaurant (Garden Restaurant) and bar (Plaza Bistro & Wine Bar) were the two most extensively remodelled areas, along with other common areas and guest rooms.



Azoris Faial Garden earned a spot in the Bikotel Hotels in 2022. Bikotel is a network of touristic operators that gathers a structure of housing units and destinations to better accommodate those who want to explore Portugal and the Azores by bicycle. This operator promotes housing units and destinations adequately prepared to welcome bicycle enthusiasts through a seal of approval that guarantees the stipulated conditions.

The Azoris Royal Garden hotel is situated in Ponta Delgada, not far from the historical centre — its last renewal was in June of 2020. The rooms are furnished with modern furniture and portray a neutral palette of colors.



In 2021, the Azoris Hotels website included a new webpage, regarding the sustainability path taken the AZORIS brand — the theme was: “Sustainability – Azoris Hotels & Leisure: responsible and sustainable hotels. Its purpose was that of informing and guiding guests into contributing to minimize the touristic footprint upon these precious islands.

Companies:

AZORIS, HOTELS & LEISURES

Brands:



AZORIS ANGRA GARDEN
PLAZA HOTEL *****



AZORIS FAIAL GARDEN
RESORT HOTEL *****



AZORIS ROYAL GARDEN
LEISURE & CONFERENCE HOTEL *****

Investigation, Development and Innovation

The ability of anticipating opportunities and risks to proactively answer the needs and expectations of stakeholders is only possible through a solid investment in investigation, development and innovation. It is for this reason that many different areas have been gaining a new and larger importance for our companies. This has led to the development of new and improved products, more efficient production methods and other progresses that have vastly contributed to our ability to create value in a consistent and lasting manner.

BOARD OF INNOVATION AND DEVELOPMENT

The Board of Innovation and Development was created in 2022, and it has allowed the Group to help elevate the teams towards product development and tool optimization in a way that promotes energetic efficiency — a contribution stemming from the pillar: “Environment of the Sustainability Strategy”. This new Board interacts with teams in the departments of maintenance, production, sustainability and the financial department of the Finançor Group.

In order for the investment in innovation to truly take off, it is paramount to work together with other interested entities. As such, Finançor answered the challenge given to civil society by **Laboratório Colaborativo FeedInov** — an association constituted by several companies of this sector, as well as by universities and entities that are specialized in investigation, development and innovation.

The initiative “Alimente o seu cérebro com informação saudável — Como a Ciência desfaz 5 mitos contemporâneos sobre a produção dos alimentos” (Feed Your Brain with Healthy Information — How Science Debunks 5 Contemporary Myths About Food Production) related to three main topics:

- Emission of greenhouse gases (GEE);
- The usage of soils in farming and cattle raising;
- Nutritional quality of diets that include animal products.

The Group believes that the production of food — vital to all life — should not constitute the principal cause for climate change, thus abetting an even graver problem than the one we currently face. Food education and availability of credible information are fundamental in leading consumers into making better, conscientious and more informed choices, thus transversely promoting a sustainable behaviour based on scientific knowledge.



Product Innovation

The new Pork Hamburger

The rise in exporting of the local beef has led to a shortage of this raw material in the meat industry — especially in the production of pre-packed hamburgers.

In light of this reality, and seeing as Finaçor holds a primary production of this raw material, thus making local pork more readily and vastly available, Salsiçor reintroduced the Pork Hamburger.

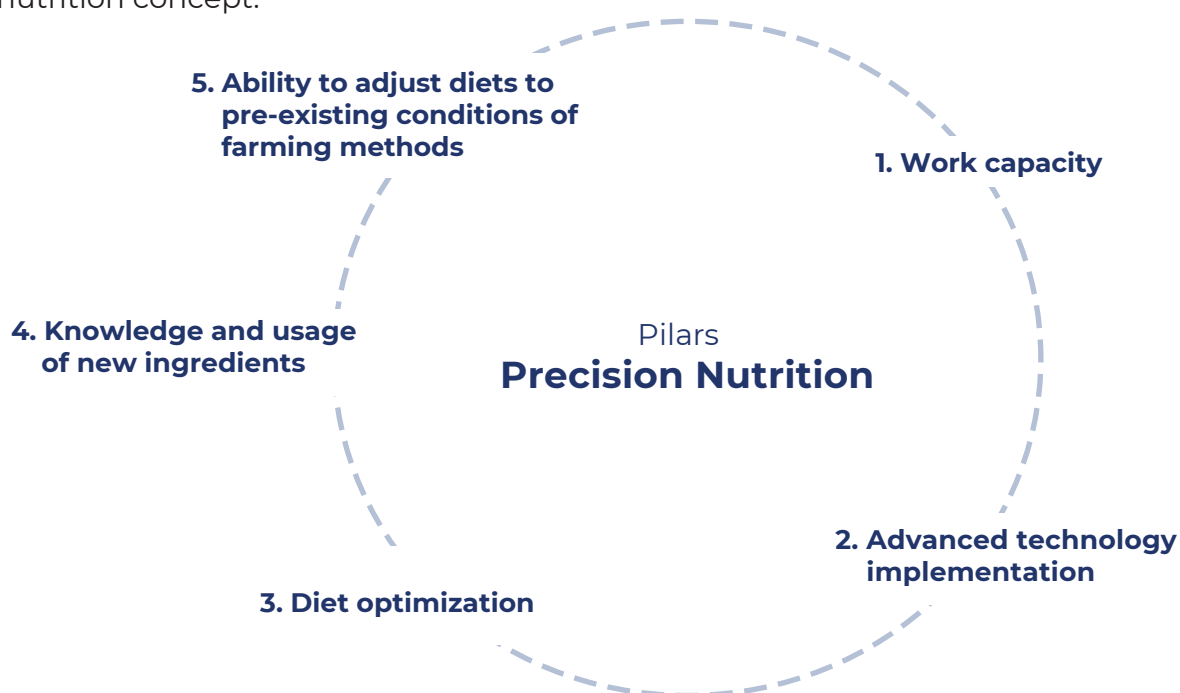
With a new recipe and design, innovation joined forces with the ability to answer the market’s needs to create this product.

The creation of this hamburger is in alignment with the compromise that Salsiçor has with our region: the Pork Hamburger solidifies Salsiçor’s motto of guaranteeing “Quality in the Azores” through the “Marca Açores” certification seal.



Animal Precision Nutrition

Animal precision nutrition is one of the fundamental pillars of sustainability for Finaçor Agro- Alimentar. The implementation of this concept is grounded on several areas of agency; the integration of the various pillars enables optimization of the animal precision nutrition concept.



The precise nutritional characterization of raw and fodder materials produced by Finançor labs, along with the continuous adjustment of the nutritional profile of the diets, has enabled the reconciliation and optimization of production, economic and environmental efficiency in farming methods. This process was made possible by increasing technical support, as well as by introducing new elements to the dietary plan: enzymes, yeasts, amino acids and essential fatty acids that improved performance and promoted nutritional efficiency, simultaneously reducing nutrient excretion (such as phosphorus, nitrogen, and other composts like methane or urea).

Animal precision nutrition incorporates precise analytic characterizing, enhancement of feed digestibility, and the development of diets (so long as they allow an increase in nutritional, economic and productive efficiency). The Technical and Commercial Team conducts visits pertaining to their areas of expertise.



NO. OF VISITS CONDUCTED

	2021	2022	Fluctuation 21/22
Total of visits (Commercial and Technical)	4.164	5.452	31%
Technical visits	2.303	3.572	55%

PROGRESSION OF TECHNICAL VISITS IN RELATION TO THE TOTAL OF VISITS (COMMERCIAL AND TECHNICAL VISITS)

	1 st Quarter	2 nd Quarter	3 rd Quarter
2021	57%	54%	55%
2022	63%	73%	62%

Investigation and Development in Aquaculture

According to the FAO's¹ evaluation, the fraction of resources related to fishery, within biologically sustainable boundaries, has decreased to 64.6% in 2019 — 1.2% less than in 2017. Conversely, the percentage of populational units fished in a biologically unsustainable manner has been increasing since the late '70's — going from 10% in 1974 to 35.4% in 2019. Aware of the urgency of this matter, the Finançor Group sought to invest in aquaculture: an area that arose as a mean to reduce resource over-exploration, thus contributing to improve the sustainability of marine resources while simultaneously ensuring enough food availability to suppress the needs of the human population.

Aquazor is the Group's company in charge of leading this mission. Its purpose is to explore the potential of offshore aquaculture development in the Azores, in a sustainable, ecological and internationally competitive fashion.

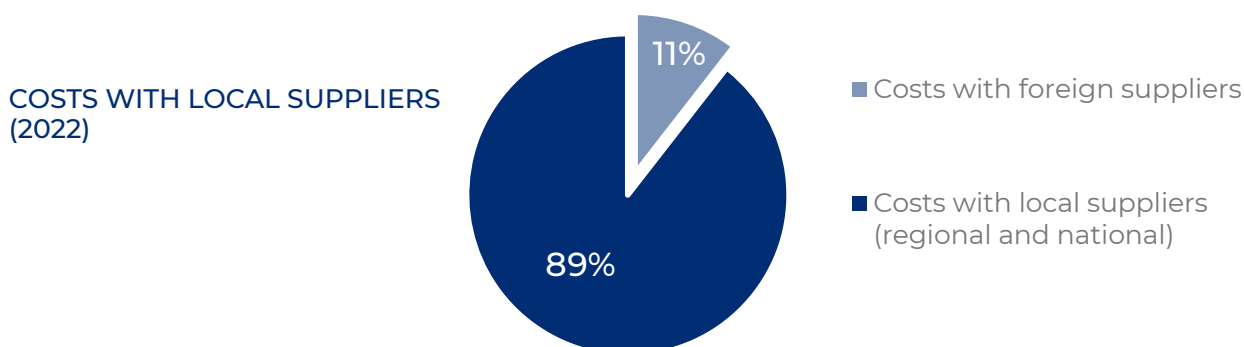
In 2022, the highlight of Aquazor's activities was that of promoting the reduction of fry imports, substituting it with in-house production. This has already led to the conclusive maturation of the reproducing fish and the control of survival rates and of the food chain.



Supplier Management

Our approach to the management of the supply chain is based on the principles of transparency and proximity, for we believe that a joint effort and partnerships are the way to positively impact the environment and people.

We seek to prioritize working with local suppliers (regional and national), only resorting to the international market in absolute inexistence of an offer adequate to our needs in the local markets — such as agricultural commodities, bought from multinational companies.



¹Source: The Status of Fishery Resources, disponível em: https://www.fao.org/3/cc0461en/online/sofia/2022/status-of-fisheryresources.html#note-1_13

Some of the Group’s companies (Azoris, Finançor Agro-Alimentar, Nako and Salsiçor) have formal process of supplier evaluation and selection that sustain the relationship they have — from the initial and continuous evaluation of propositions to the conclusion and signing of the contract.

SUSTAINABLE SHOPPING POLICY @ FINANÇOR GROUP

In association with the compromise established in the 2021-2024 Finançor Sustainability Strategy to “Promote ethical relations with all stakeholders through a transparent communication about the Group’s performance”, a sustainable shopping policy was established.

The Finançor Group Sustainable Shopping Policy received the approval of the executive president in November, 2022. It is based on ten principles of supplier selection and evaluation. The goal of this is to determine the behaviour patterns and frame of principles that suppliers ought to adopt in several issues—such as work and environmental aspects, but of product and service quality and safety as well.

Following its approval, the policy was then shared through the Group’s internal and external channels of communication, so as to educate stakeholders on the Group’s approach and compromise towards this issue.

We predict, for 2023, the communication and awareness raising of this policy—and its inherent processes—through sustainability training, thus better integrating this policy in the supplier evaluation and selection processes.



ROUNDTABLE ON SUSTAINABLE PALM OIL – RSPO

Part of the concept of sustainability during the shopping process is choosing products and materials that are inherently sustainable.

As such, Finançor Agro-Alimentar will, from 2023 onward, use RSPO palm oil in their cookies: a product certified in accordance with specific RSPO criteria, and the goal of which is to the reduce negative the environmental and community impacts of oil palm cultivation.

Clients and Consumers



Material Issues	SDG
<ul style="list-style-type: none">  Customer satisfaction and product and service quality;  Food safety;  Animal welfare. 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>9 INDÚSTRIA, INOVAÇÃO E INFRAESTRUTURAS</p> </div> <div style="text-align: center;">  <p>12 PRODUÇÃO E CONSUMO SUSTENTÁVEIS</p> </div> </div>
Compromises	
<p>Reduce the number of complaints;</p> <p>Continue to promote food safety throughout the value chain;</p> <p>Develop sustainable products/measures/actions that answer the needs of our clients and consumers;</p> <p>Implement the best possible animal welfare practices.</p>	
Main Initiatives	Most Relevant KPI – 2022
<p>Technical support to clients;</p> <p>Implementation and certification of a system for Quality Management, Food Safety and Animal Welfare in other companies.</p>	<p>55% of technical visits by the veterinarian team (in comparison to 2021);</p> <p>- 25% of complaints (in comparison to 2021).</p>

Our Clients


The Finançor Group aims to be a dynamic, modern and creative organization, known for quality patterns that fully suppress the needs of clients and consumers, while maintaining and reinforcing the image of prestige that characterizes us.

We have established our presence in the market so that we could produce and commercialize safe and quality food products that satisfy the demands and expectations of our clients and consumers. In light of this, we facilitate our services and supply our products in a personalized fashion that aids the client or customer’s access to all the necessary information they may need to best use and take advantage of what the Group has to offer.

Our companies have the following goals in what pertains to customer and client relation management:

- **Assure the confidence and loyalty of costumers, satisfying their demands and expectations, while developing a market and result oriented culture;**
- **Assure the conformity and food safety of our products, as well as abide by the environmental requirements through a thorough practise of applicable legal requirements.**

FINANÇOR GROUP CLIENTS

Agriculture and cattle raising operations		 Animal Nutrition
Companies of the Group		
Retailers, distributors and cooperatives		
Others		

Large scale distribution		 Food
Companies of the Group		
HoReCa channel		
Small retailers		
Others		

Final consumer		 Food Distribution
Small retailers		
HoReCa channel		
Others		

Tourism operators/OTA's		 Hotels & Leisure
Travel agencies		
Direct clients and costumers		
Corporate clients		
Others		

Complaints Management

To monitor client demands and expectations, several of the Group's companies possess mechanisms to collect and monitor stakeholders' complaints.

The efficient management and follow-up of complaints allow for continuous answers and improvements to our activities, thus manifesting a larger client satisfaction. Evidence of this effort is reflected in the 24% reduction of total complaints registered in 2021 and 2022—both official and unofficial.

	2021	2022
Official complaints (%)	12%	9%
Unofficial complaints (%)	88%	91%
Total (no.)	419	315
Fluctuation (%)	-	-25%

Satisfaction evaluation

In order to achieve an evaluation of our services by the Clients of each of our business areas, we utilize different instruments to measure the satisfaction perception of Clients—this enables us to obtain improving potential and implement actions by service or operation category.

- Official Compliment Book;
- Suggestion/Compliment Survey;
- Event Satisfaction Survey;
- Service Satisfaction Survey;
- Global Review Index of Online Channels;
- Satisfaction Survey of Clients' Visits;
- Lecture Evaluation.

People and Community



6.

Material issues	SDG
 <p>Health & Safety and employee well-being.</p>	
Compromises	
<p>Strengthening the human resources valorisation policy throughout all Finançor Group companies;</p> <p>Adoption of zero accidents policy and culture;</p> <p>Strengthening partnerships with other organizations that also promote community development;</p> <p>Community.</p>	
Main initiatives	Most Relevant KPI – 2022
<p>Internships;</p> <p>Grant for In-house Trainers;</p> <p>Sustainability Training;</p> <p>International Food Day and International Work Health and Safety Day;</p> <p>Community Support Campaigns.</p>	<p>1 587 Employees (+9% YoY);</p> <p>53% Women (+6% YoY);</p> <p>94% of employees were subject to evaluation (=YoY).</p>

Our People

The Finançor Group is committed to its own progress as an organization, doing so by adopting an approach focused on people: attraction, development and retention.

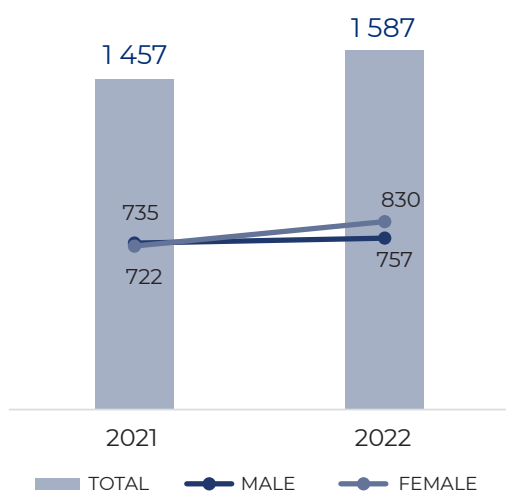
Through our strategy of People Management, we intend to reinforce employees’ skills, to promote work health and well-being measures, to invest in attraction and retention of talent, to strengthen in-house collaboration and mobility, to implement career management plans for employees, and, lastly, to propel the agility of processes in order to promote higher levels of efficiency.

We are aware that our employees constitute a key-factor in the excellence of our products and services: we believe in the valorization and consequent motivation of our people as a fundamental factor in the equation of Group’s success.

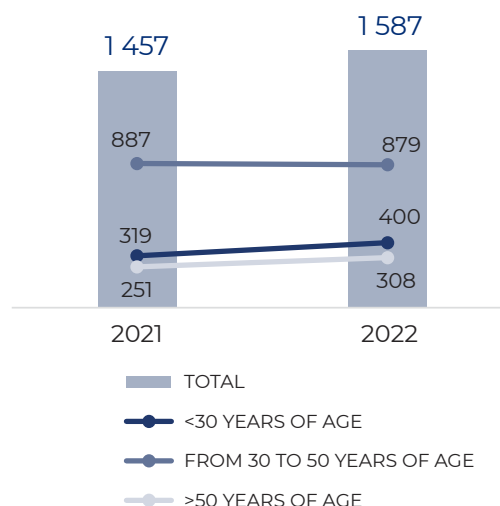
In 2021, the Group grew even larger due to the acquisition (in 2020) of two companies in the Food Distributing sector: Finançor Distribuição Alimentar and Finançor Cash & Carry. For this reason, we show information pertaining to 2021 and 2022—seeing as it is more indicative of comparable reality and accurate of the evolution of our performance.

In 2022, a 9% increase in the total number of the Group's employees was registered—in comparison with 2021. This increase represents a 5% increase in male employees and 13% in female employees. Sorting by age, this distribution of newcomers represents a positive increase of 25% in workers under 30 years of age, and of 23% in workers over 50 years of age. (gráficos)

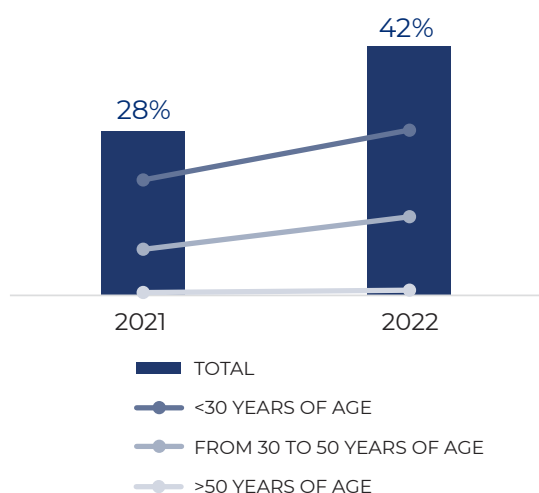
TOTAL OF EMPLOYEES BY GENDER



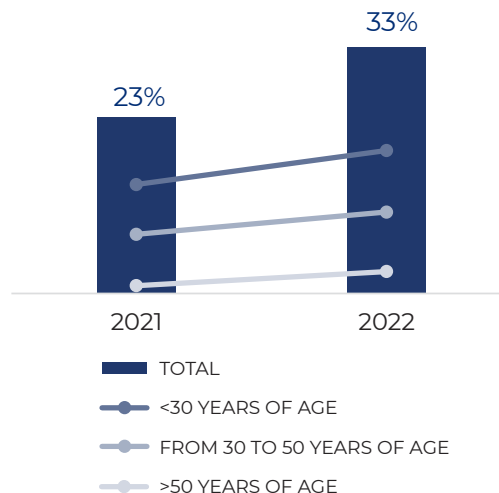
TOTAL OF EMPLOYEES BY AGE



RATE OF ONBOARDING EMPLOYEES BY AGE



RATE OF OFFBOARDING EMPLOYEES BY AGE



In comparison to 2021, the number of onboarding employees in the Finançor Group rose by 52%; conversely, the number of offboarding employees has also risen—a total increase of 40% was registered, in comparison with 2021. The inflated nature of employee onboarding and offboarding has also to do with seasonal hiring policies of Finançor Distribuição Alimentar Company—such as Christmas or other high activity seasons.

People Management

The Finançor Group is committed to its own progress as an organization, doing so by adopting an approach focused on people: attraction, development and retention. We intend to nurture a corporate culture of well-being and, consequently, be recognized as reference for employment.

TALENT ATTRACTION

Finançor invested in an Employer Branding strategy, which solidified its presence by employees and candidates, thus adding to the Group's attractiveness.

In light of the difficulties regarding talent acquisition, we recognize the importance of this positioning next to the community. These difficulties are transversal to many sectors of activity and represent the reality of the market wherein we operate.

We also aim to strengthen our contact with the school and academic communities, as part of a hiring strategy designed for the recently graduated youth.

JOB EXPO

Finançor was participant in the event “Emprego.Azores – Da Qualificação ao Mercado de Trabalho” (From graduation to the labour market), promoted by the Government of the Autonomous Region of the Azores, through the Regional Secretariat for Youth Affairs, Professional Qualification and Employment. This initiative took place on three of our archipelago's islands: São Miguel (in Ribeira Grande), Pico (in Madalena), and Terceira (in Angra do Heroísmo).

The event's goal was to strengthen interactions between companies, public entities and vocational colleges, and first or new job candidates. The venue was organized in a way that would kindle innovative dynamics: with demonstrations, workshops and lectures that could promote professional dignification, as well as divulge the available job offer.

Our participation was monitored by our Human Resources Department, seeing as the entirety of the Group's areas of business were present and represented in all three events.

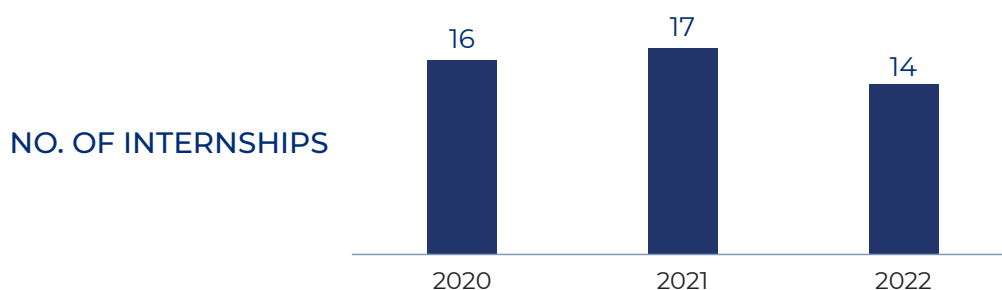
In addition, Finançor was invited to integrate the panel “O Perfil Profissional: O que o Mercado de Trabalho Procura” (Professional Profile: What is the Labour Market Looking For), in the São Miguel event. The participation in this panel allowed the introduction of the Group's entrepreneurial profile and hiring necessities to all other participants. The “Projeto de Reporte e Estratégia de Sustentabilidade do Grupo” was mentioned in this presentation—a project which later materialized in 2020 Report.

Internships

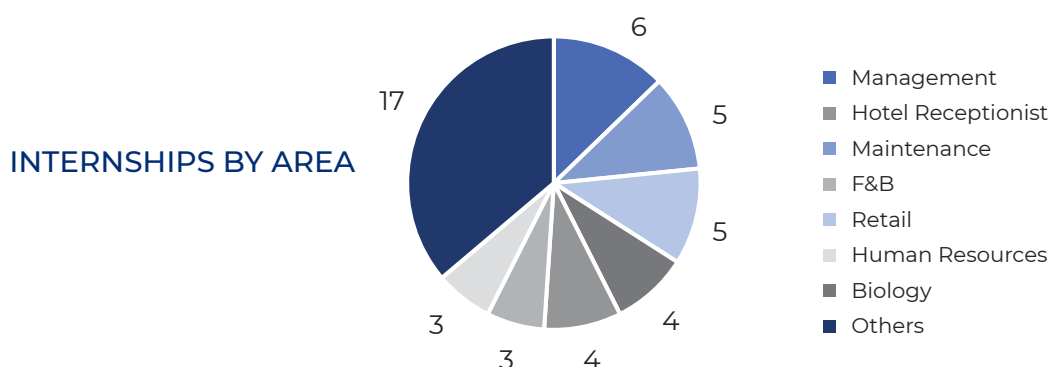
We invest the young talent attraction and integration by offering professional internships. This offer is sponsored by the “Programa de Estágios Profissionais” (professional internship program), created by the Regional Directory for Employment and Professional Qualification.

Internship opportunities are divulged to the corporate level, so as to recruit young people of elevated potential, thus providing them a first contact with the professional dimension and giving them the possibly of integrating the company’s permanent staff and/or administration.

The hosting of these recently graduated interns—Estagiari T program for vocational college graduates and Estagiari L for university graduates—aims to demonstrate the labour market through experiences that foment a pragmatic and multidisciplinary training. This will also give place to a portfolio of young talents.



Fourteen interns were accepted in 2022; seventeen in 2021; and sixteen in 2020. Out of the total number of internships (47), 18 are still ongoing. Out of the completed internships (27, minus 2 withdrawals), 13 interns were hired full-time — which corresponds to a 48% rate of integration.



To further solidify the Group’s corporate image and to strengthen the interns’ integration, the HR Department organized a welcoming event presided by the Executive President, in which he greeted all comers and presented the Group’s Entrepreneurial Profile.

Talent Management

In order to promote the satisfaction of our employees, to offer attractive work conditions, and secure a healthy and balanced conciliation between work and life, we have developed a set of initiatives and benefits to ensure our employees enjoy the previously mentioned:

<p>Christmas Celebration</p>	<p>To commemorate Christmas, all employees receive a yearly gift—containing a message from the BA, a Christmas postcard and a gift certificate (with pre-established criteria).</p>
<p>Seasonal Flu Shot</p>	<p>Freely available for those interested.</p>
<p>Special Fees in the Group's Companies</p>	<p>With the Nako discount card and the attribution of special discounts/fees in the Azoris Hotels, our employees have access to exclusive conditions when acquiring any of the Group's products and/or services.</p>
<p>Protocols that Provide Beneficial Conditions to Employees</p>	<p>The Group has various established protocols with gyms, eye doctors, clinics, doctors' offices and analysis laboratories, all of which constitute highly beneficial conditions for the Group's employees.</p>
<p>Production Prize by Hotel Occupation Rate</p>	<p>From June to October of 2022, a production prize that encompassed 79% of Azoris employees was granted. This prize's goal was that of implementing a monthly prize bonus (aligned with specific criteria) to all employees, in accordance with the monthly verified occupation rate of each hotel.</p>
<p>Performance Awards</p>	<p>Based on processes of performance evaluation, some of the Group's Companies grant performance awards, so as to recognize and value the contribution of our employees to the company's goals—which is only possible when contemplating the registered economic and financial results.</p>

Development and Training

We value the training of our employees as means to perfect work practises, which in itself constitutes an essential resource for the development of professional and personal skills—an indispensable asset for any business management strategy.

In so doing, we aim to provide learning opportunities tailored to the functions of each employee, thus facilitating an environment that fosters creative and innovative spirit, increases performance and productivity, and that elevates individual career opportunities, as well.

Every year, the Group elaborates the Annual Training Plan (ATP) for its companies, the contents of which are directly related to the activity area of each company—also including transversal and broader training topics of a corporate nature, legally mandatory ones, or of achieving a standard framework indicative of normative certification.

In order to select the adequate training areas for the ATP, a process of identification of the necessities of the management boards takes place (top or intermediate, depending on the company's structure). This plan can be updated in accordance with the additional necessities and requests identified all year long. This is how we guarantee that our employees have all the tools they need for their best and desired performance and development.

Logistically, we resort to officially certified external training entities—which conduct formative events—or to our portfolio of in-house certified trainers. The Annual Training Plan is audited by the QEMS (Quality and Environment Management System).

PORTFOLIO OF IN-HOUSE TRAINERS

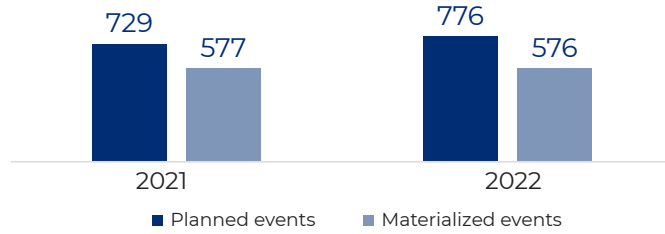
The portfolio of in-house trainers is a result of the Finançor Group Strategy of Sustainability, and was designed to identify people capable of developing training events and workshops in their fields and areas of expertise (in their companies or in other companies of the Group).

To select these trainers, we conducted a survey of employees in possession of the Pedagogic Competences Certificate and tried to identify further employees with potential skills fit for in-house training. The applied criteria consisted of: academic background, relevant professional experience and official trainer certification. Currently, the portfolio of in-house trainers has a total of **33 employees**, from all areas of business.

This process allows us to value the competence of our employees, create internal synergy, as well as promote the holistic alignment of the Group's companies, thus strengthening the corporate spirit.

Regarding the materialization of ATP in 2021, 79% of the planned training activities were concluded; this number fell to 74% in 2022.

PLAN OF TRAINING EVENTS



In comparison to 2021, a significant rise in the total of training hours was registered in 2022 (135%). This increase covered all of the Group’s areas of business. Consequently, this increase also represented an increase in the average of training hours per employee in all categories.

The area of business with the more representation in the total of training hours was that of Food Distribution: an occurrence vastly justified by the reopening of stores and consequent operationalization of the Training Plan in partnership with the Jerónimo Martins Training School.

**TRAINING HOURS
IN 2021**

10 945

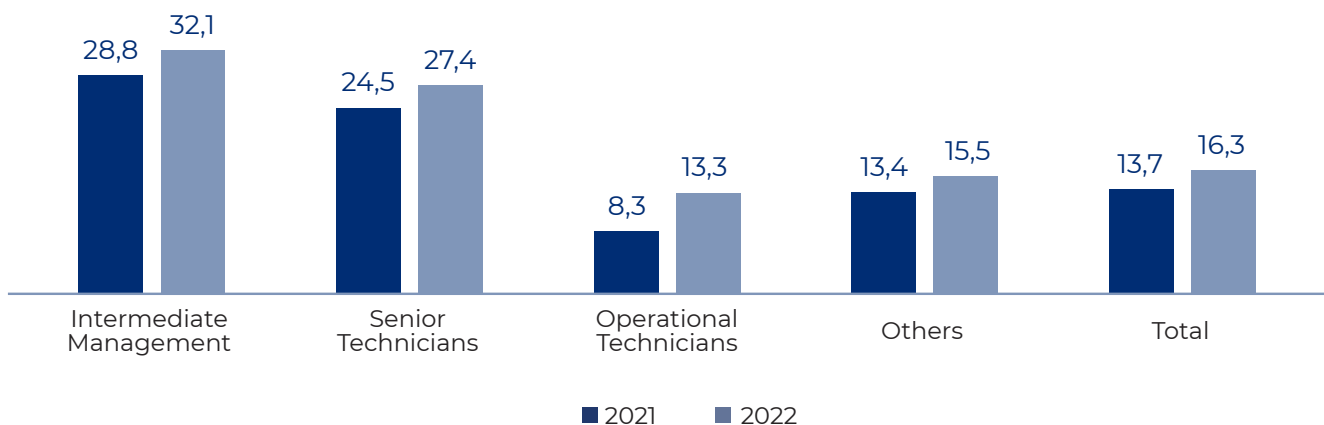
**TRAINING HOURS
IN 2022**

25 683

A portion of the training events are carried on-the-job—especially in situations of newcomers’ integration in any of the business areas. During the reporting period, the integration training of employees was carried in a more systematic fashion and with the use of better structured mechanisms.

In Finançor, training mostly occurs on-site—with the exception of 2021, which manifested a considerable increase in online training, due to the restrictions imposed by the pandemic situation.

AVERAGE OF TRAINING HOURS BY CATEGORY (HOURS/EMPLOYEE)



As per training areas, we highlight the following: organization/company matters, work safety and sanitation, food industries, information technologies from the user’s standpoint, environmental protection and technology, transportation systems, and sustainability.

In 2021 and 2022, we highlight the following training and awareness raising events in the mentioned areas of interest (information pertaining to Work Health & Safety can be found under People and Community > Our People > Health and Safety):

Area	Training and Awareness Raising Events in 2021	Training and Awareness Raising Events in 2022
Environment ¹	Energy management	Good Practises in Residue Management (in partnership with MUSAMI and DRAAC)
Food Safety ²	IFS 7 referential Food Fraud Food Defense Labelling Food allergens management Food Hygiene and Safety in the meat industry Food safety/ HACCP	IFS 7 referential Food Hygiene and Safety in the meat industry Food safety/ HACCP
GSPIW and DSMS	GSPIW Cybersecurity Cyber-secure Citizen	
Management	Sustainability Leadership training program: “How to think and intervene as a trainer” SAP system	Finançor Sustainability Strategy (trimestral awareness raising initiatives and internal events) Performance Evaluation

¹ This subject is integrated in the welcoming training and/or in the skill renewal training (when applicable) of employees.

² This subject is integrated in the welcoming training of employees (when applicable)

SUSTAINABILITY TRAINING

Several training sessions were conducted in alignment with the Strategy and Report of Sustainability — these were their intended goals: demystifying this subject amongst our employees; reinforcing the importance of applying a holistic approach; assuring the reporting alignment between companies; and the fulfilling and guiding of initiatives pertaining to this project.

2021

9.5 hours of training were conducted on the issue of Sustainability, with a total of 93 participants — which included all of the Group’s Directors and Administrators.

- A training session organized by the project’s partner—Pricewaterhousecoopers & Associates—in which participants dealt with and discussed the concept of ESG, the Sustainable Development Goals and value creation from an ESG standpoint. This session has also contained a practical segment, in which participants were challenged to identify the Group’s main stakeholder, as well as identify the defined targets and compromises of the Group’s Strategy of Sustainability.



- Internal Communication and Awareness Raising session pertaining to the success of the Action Plan for the Strategy of Sustainability. This was carried through the formalization of the compromise established in 2021-2024 Strategy of Sustainability by the Board of Administration.

2022

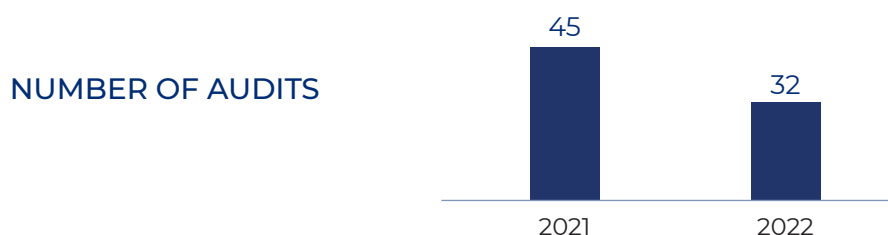
32.5 hours of training were conducted on the issue of Sustainability, with a total of 129 participants—which included all of the Group’s Directors and Administrators.

- Training session entitled “The Transition to Sustainability”, the goals of which were to update general knowledge on the issues at hand, as a way of encouraging and enriching a culture of sustainability in the Group. The session ended with a workshop entitled “Climate Wall” (raising climatic awareness through cause and effect interactions).
- Internal training on the 2021-2024 Strategy of Sustainability carried by work teams, so as to promote result orientation and activity implementation.
- Initiatives resulting from the adherence to GRACE: training session entitled “The Essentials of the ESG Framework”.

Health and Safety

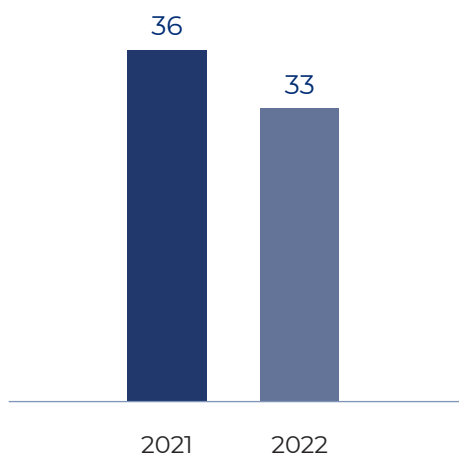
One of our priorities is the improvement of safety, health and hygiene conditions, as well as the prevention of work-related accidents and occupational diseases, in tandem with the promotion of the physical, mental and social well-being of our people.

Aware of the fact that the effective diligences to undertake are of a prophylactic nature, we have developed and implemented a set of tools and processes that aim the identification of hazards and the evaluation of risks: namely, the creation of an Audit Plan³ and the execution of audits to the Group's companies; work instructions; registers; guidance; direct observation of the working employees; and, appointing an employee as area supervisor.

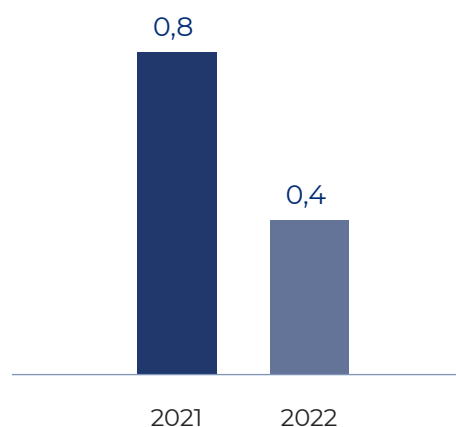


We are confident that the search for the perfection of the implemented set of tools and processes as resulted in the positive reduction of the ratio of mandatorily reportable work related accidents⁴ (-10% in 2022 in comparison to 2021), as well as of serious work accidents ratio⁵ (-52% in 2022 in comparison to 2021).

RATIO OF MANDATORILY REPORTABLE WORK RELATED ACCIDENTS



RATIO OF SERIOUS WORK ACCIDENTS



The success of these results is also consequence of our employees' commitment and the appeal for their active participation in hazard identification and subsequent reporting.

³ Accounted audits regarding the OSH and GSPIW Audit Plan.

⁴ Ratio of Mandatorily Reportable Work Related Accidents = Number of Mandatorily Reportable Work Related Accidents/Number of hours worked) x 1.000.000.

⁵ Ratio of Serious Work Accidents (except those resulting in fatality) = Number of Serious Work Accidents (except those resulting in fatality)/Number of hours worked) x 1.000.000.

Serious work accidents are those that result in a fatality, or in a serious injury from which the employee can't recover, or won't be expected to recover to the condition previous to the accident in the six months following.

To solidify the knowledge our employees have in this area, and assure that the management reporting is well informed and conscientious, we promoted a comprehensive set of awareness raising training sessions. The choice of issues was done in accordance with a survey of the specific needs of each sector and department, thus representing an adequate fit to the reality and risks of all. Complementarily, several flyers and posters are distributed through the various work places.

OSH PRIMARY ISSUES AND TRAINING AREAS IN 2021/2022		
Emergency organization	Activities subject to extra risk (working in high places, confined spaces, etc.)	Collective protection equipment
Work equipment and machinery	Health and safety promotion	Chemical hazards and risks
Ergonomics	Psychosocial and organizational risks	Emergency and safety signalling
First-aid	CPR	Segurança contra incêndios e técnicas de combate a incêndios
Chemical, biologic and physical risks	Work Health and Hygiene	Individual protection equipment
Work Health and Safety legislation	Firefighting techniques and prevention using 1 st intervention equipment	Emergency scenarios: evacuation plans
Chemical leaks and environmental care	Performance of SADI (Automatic Fire Detection System)	Emergency management: planning, evaluation and simulation
Life-line	Level 1 simulacrum plan: the kitchen	Prevention of electric risks

Given the importance of these issues, and in addition to the workshops and training session, we celebrated the World Day for Safety and Health at Work.

WORLD DAY FOR SAFETY AND HEALTH AT WORK

The 28th of April is the World Day for Safety and Health at Work. As such, we capitalized on this day to give continuity to the promotion of a Safety Culture and further raise awareness on these matters.

In light of the previous, we designed a poster showing and stating the importance Workplace Physical Activity Breaks and the contribution they make towards ergonomic well-being. Additionally, we generated a QR code that redirected employees to a video entitled “Workplace physical activity breaks — suggestions of exercises”.

Still in the context of risk identification and evaluation—aiming the continuous improvement and follow-up of the identified situations—we produce regular reports of risk identification and evaluation (per job), we make regular accident/incident inquiring surveys, non-conformity registers, and improvement plans.

We implemented several protocols with various private health entities that grant our employees the access to health and medical services. We have also implemented programs promoting good health—such as celebrating, for instance, the World Food Day.

WORLD FOOD DAY

In order to further help the promotion of our employees' health, safety and well-being, we celebrated the World Food Day by organizing two awareness raising sessions that encouraged a healthier diet.

To help make these sessions more dynamic, four nutritionists from the Nutrition Department of the São Miguel Health Unit were invited. They provided attendees with tips on healthy nutritional habits, and explained the direct causality between nutritional habits on noncommunicable chronic diseases.

A healthy snack buffet was organized.



Performance Evaluation

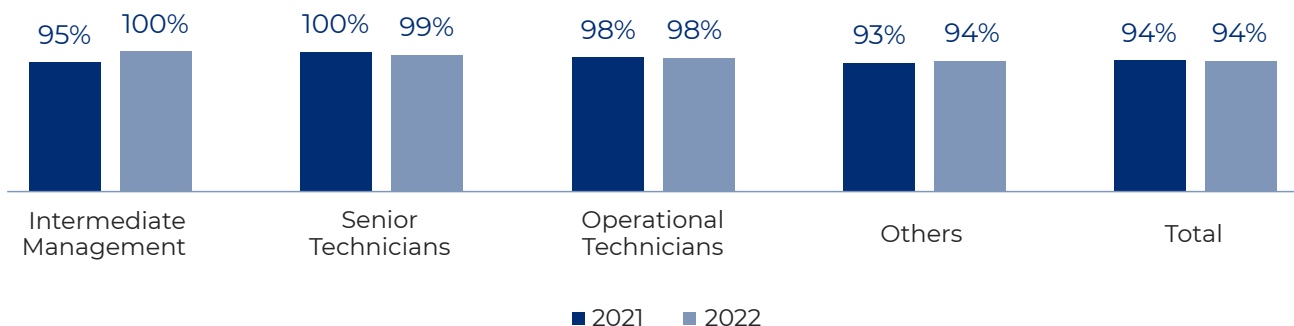
Performance evaluation is truly a supportive tool for management: it is recognized as being of utmost importance for the professional and personal progress of employees; for achieving companies' strategic plans; for the improvement of the processes of management and leadership; and for the sustainability of businesses. This exercise enables the identification of possible improvement opportunities for internal procedures, as well as of the development needs of each employee. Furthermore, it is a tool that enables the recognition and valorization of people's work.

Having been first implemented in 2010 in Finançor Agro-Alimentar—but then progressively implemented in all of the Group's companies — the Performance Evaluation process is carried out annually and is applicable to all employees,⁶ comprehending a labour period equivalent or superior to four months in a year — regardless of the existing contractual ties.

The operationalization of this process falls under the responsibility of the Human Resources Department, and is carried out by the employees of intermediate and superior management, thus respecting the functional and hierarchized reporting essence at its core. Additionally, direct superiors can resort to other sources of information: third parties, company performance indicators, audit results, or any other source considered relevant for the process at hand.

In 2022, a re-evaluation of the Performance Evaluation System was made for the companies in the areas of Nutrition, Animal Production and Hotel Businesses. To do so, an a priori informational communique on the newer evaluation model was issued. In the Food Distribution area, the previous evaluation model was kept.⁷ In 2022, all employees were subject to an evaluation — regardless of their company.

EMPLOYEES SUBJECT TO PERFORMANCE EVALUATION BY CATEGORY



⁶ The performance evaluation process does not contemplate part-time employees.

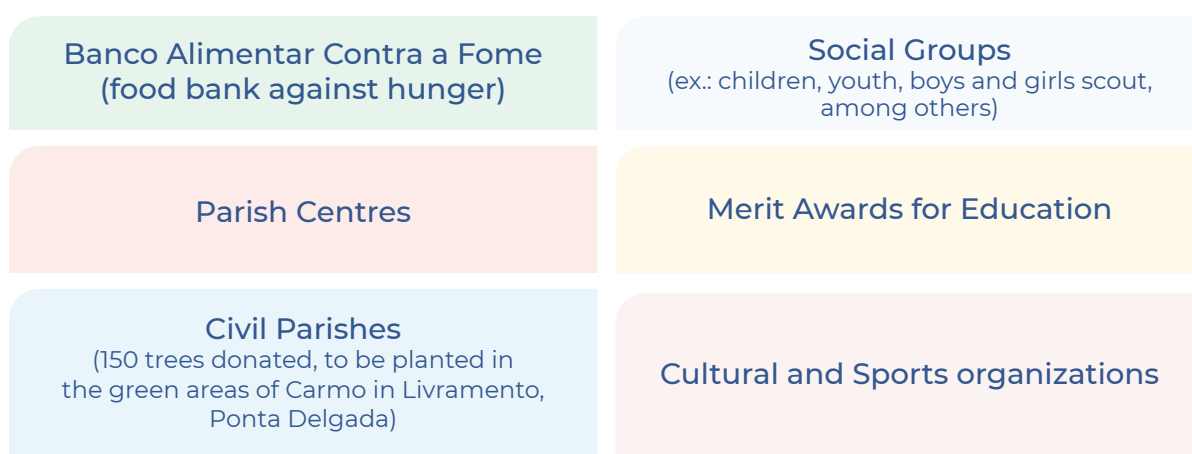
⁷ In 2021, the yearly performance evaluation process of food Distribution companies was implemented in accordance with the model used by our partner.

Our Community

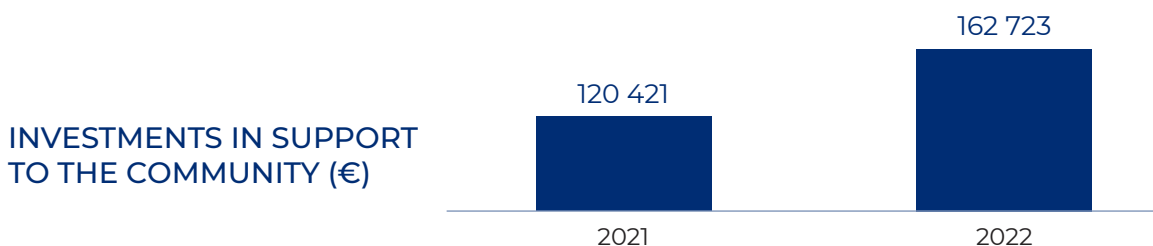
Considering the geographical context and the manner in which we operate, establishing bonds of trust and proximity with our local communities is, to us, an ambition transversal to the entire Group, as well as an indissociable virtue.

We are aware that our areas of business allow us to help fight hunger and malnutrition. We are also aware that, by our positioning through the entire food chain and the warranty of quality of our fairly priced products, we can play a significant role in the creation of food availability in the surrounding society. In light of this, we proactively create and propose yearly joint efforts with other organizations that work directly with communities in need of help and donations — be it in food and products, or financially.

Our investment in these initiatives is unyielding, and we continue to contribute the various causes in which we believe:



We maintained our investments in initiatives that support the Community: this is a part of the Group's compromise that has been established in the Sustainability Strategy.



The implemented initiatives are not limited to a sporadic help, and are genuinely designed to contribute towards the long-term development and autonomy of the affected communities — done so through the promotion of a healthy life-style and nutrition, the encouragement of sport practises, school and academic success, the pursue of culture and art, as well as of entrepreneurship and citizenship.

* The second campaign only had the participation of administrators.

BLOOD DONATION CAMPAIGN

Finançor promoted an internal campaign that encouraged its employees to make a blood donation to the Hematology Service of the Divino Espírito Santo Hospital in Ponta Delgada. This activity took place in April 2022, and had the total participation of 98 employees of several of the Group’s companies—in the islands of São Miguel, Terceira and Faial. As a result of the first campaign’s success, a second round of blood donations was organized in October 2022 (in which 20 employees became official blood donors).

120 Employees participated in the blood donation initiatives;
14.265 gallons of blood donated.



THE “TOCA A JUNTAR PARA AJUDAR” CAMPAIGN (LET’S GET TOGETHER TO HELP)

The “Toca a Juntar para Ajudar” Campaign—which began in 2010—resulted from a partnership between the APCSM (Cerebral Palsy Association of São Miguel), MUSAMI (Municipal Manager for Environmental Operations), and Finançor Agro-Alimentar. Its goal is to help find, produce and deliver equipment to the APCSM.

Finançor has been able to deliver 5511.56 pounds of plastic and metal residues to MUSAMI (dropped by several individuals and institutions in our facilities). Following this, APCSM was gifted coordination wheels, a rolling tunnel, and two ceiling lifts for elevator transfers.

SUPPORT TO UKRAINIAN REFUGEE FAMILIES

The Finançor Group and the Azoris Hotels were unable to remain indifferent to aggressions perpetuated upon the Ukrainian people, and the subsequent difficulties through which citizens and families underwent. As such, in a joint effort with the team of volunteers named “Ucrânia e Europa”, Azoris provided 35 rooms to support and help with the transition and integration phases of Ukrainian families coming to the Autonomous Region of the Azores — for a period of six months (from March to September, 2022).



Aproveite este momento de tranquilidade para mentalmente desejar Paz e Amor ao Mundo. Que não nos esqueçamos que influenciámos e somos influenciados por tudo o que nele acontece. Seja grato e amável com o outro.









Take this quiet moment to mentally wish Peace and Love to the World. May we not forget that we influence and are influenced by everything that happens on it. Be thankful and kind to one another.



Environment



7.

Material Issues	SDG
 Food waste prevention	  
 Integration of the principles of circular economy and of product and services' life-cycle	
 Residue management	
 Sustainable soil usage and agricultural practises	
 Energy management and energetic efficiency	

Compromises

Promotion of a circular economy, and the reduction of food waste;

Development of a plan to reduce the emission of green-house gases;

Guaranteeing that the packaging of all Finançor Group products is recyclable, reusable and/or biodegradable;

Reduction of grid-water consumption per unit produced;

Investing in projects/systems of environmental management;

Implementation of sustainable management practices in farming and forest protection;

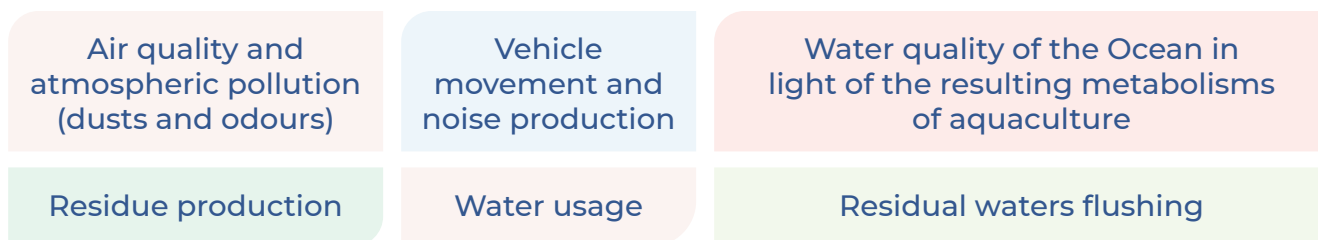
Increase the self-production of renewable electric energy.

Main Initiatives	Most Relevant KPI – 2022
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<p>“World Environment Day at the Finançor Group”</p> <p>Reduction of plastic and paper consume in the Azoris Hotels</p> <p>Eco-design materials and packaging</p> <p>“Isto não é lixo” (This is not trash)</p> <p>Installation of photovoltaic panels</p> <p>“Iluminar o futuro de forma sustentável” (Sustainably illuminating the Future)</p> <p>Adaptação de caldeira a fuel para caldeira a pellets</p> <p>Reduction of fluorinated gases</p> <p>Rainwater harvesting</p> <p>“Uma escolha que lhe fica bem” Initiative (A choice that suits you well)</p>	<p>5 757 tCO₂e scope 1 emissions (-2.6% YoY)</p> <p>11 175 tCO₂e scope 2 emissions (+3% YoY)</p> <p>9 441 GJ of renewable energy produced (biogas, solar, biomass; +17% YoY)</p>
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Our compromise with the environment goes beyond legal requirements or concerns: highlighting, for example, the Pollution Integrated Control and Prevention system (PICP) implemented in some of the Group’s Food and Animal Feed producing companies (Finançor Agro-Alimentar Lagoa; Agraçor; Provipor; Pondel and Grapon). At Finançor, we fight climate change and defend resource management in a holistic manner, thus integrating those issues in our sustainability strategies by implementing environmentally sustainable practises guided by innovation and creativity.

So as to further achieve efficiency in our next steps, and in the implementation of our plan of action (see 3. Our Strategy), we conducted a survey of the concrete and potential negative impacts of our activity:



We are aware that this comprises a collective work. As such, we have decided to further actively engage our stakeholders in this mission: be it in regard to costumers—by offering the market increasingly more ecological products and services—or in the continuous promotion of awareness raising actions, that are designed to reduce the consumption of water, energy and chemical products.

We also promote the active engagement of all our employees in these initiatives, whose existence is paramount for the success of the Group’s compromises—doing so mostly through environmental awareness raising events.

World Environment Day

In order to further help promote sustainability, we celebrated the World Environment Day on the 5th of June. We did so by organizing trails in nature, or by the Ocean:

- Avenida Marginal to S. Roque beach — São Miguel;
- Recreational Forest Reserve of ValVerde — Santa Maria;
- “Mistérios Negros” Trail — Terceira.

This activity had the participation of 60 employees, throughout all three islands. Each participant received a t-shirt with the slogan “Presentes no Futuro” (Present in the Future). When the trails were finished, the events were closed by a social get-together of the participants where a snack was provided.



Soil Management

Our geographic context requires special attention: we have to assure the balance between our activities and the natural ecosystems of the Azores and their biodiversity. These are, to us, priority issues of utmost importance.

Altiprado operates in an agro-silvo-pastoral system, thus is subject to a careful, yet challenging, maintenance—seeing as it is located in a high altitude and its young soils are of a volcanic origin. Its area of operation is of 778.382 acres, and it is used for forage production—some pastures are permanent and others are used for corn silage.

Given the fact that the improvement of these soils is a constant necessity and concern for us, we implemented a set of good practises for soil management:

- All of the cattle produced manure and slurry is to be incorporated in the terrains and pastures wherein it was generated, thus benefitting the soils with organic fertilizers;
- Regular soil analysis and utilization of controlled-release fertilizers and correctives, thus maximizing the effect of the elements added to the soil;
- Soil tillage takes place in order to preserve its structure and promote aeration, but no-till farming is resorted to whenever possible;
- Crop rotations are executed in order to promote forage production, and to assure the improvement of soils and pest control, as well;
- Hedges are maintained solely with the purpose of preserving the existing fauna and flora, but also provide protection to cattle.

Forest production is undertaken in terrains with a higher altitude and/or surface inclination, which enables a more beneficial usage of said terrains and prevents erosion. It is also a way of assuring shelter for the pasturing cattle in 805.564 acres of land.

The production species is the Japanese red cedar, which is cut and replanted in accordance to the forest exploration management plan and in close collaboration with official entities. Endemic species are maintained and invasive ones are controlled.

Other companies in the Group also have a forest area planted with endemic species—Pondel and Grapon.

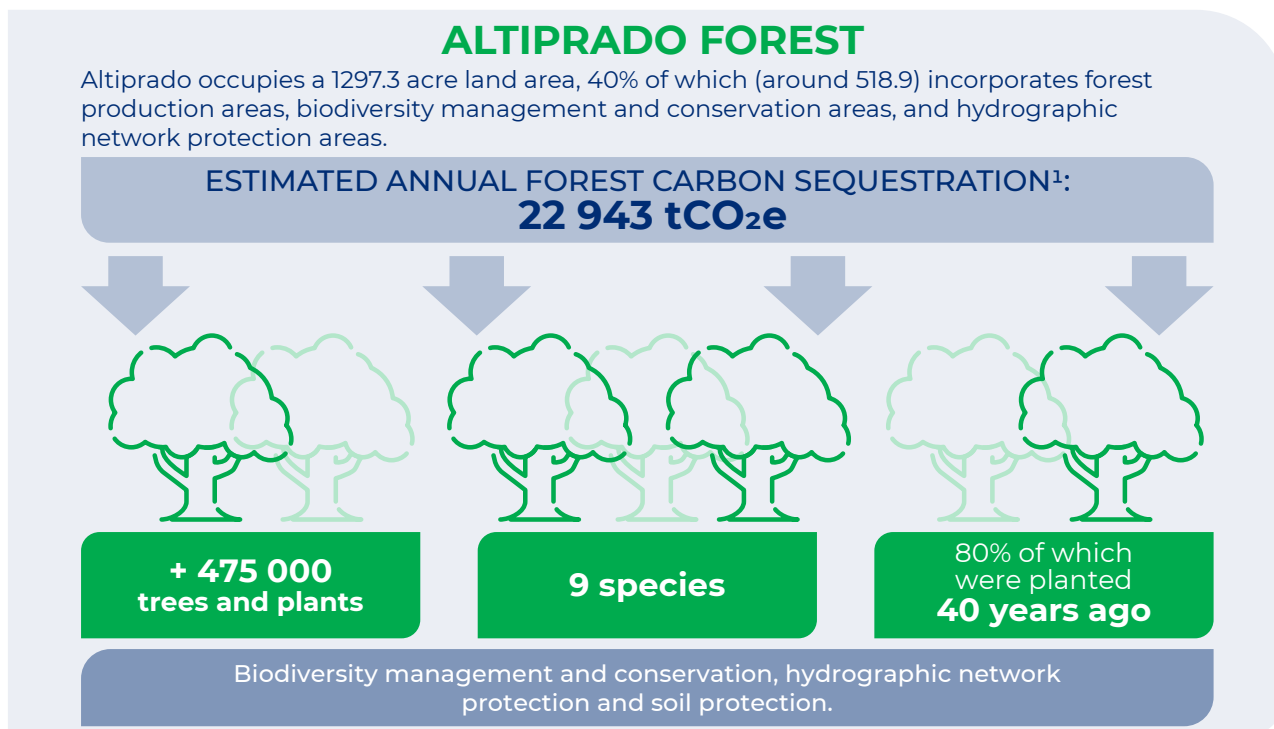
Complementarily, despite not being intended for agriculture, we also have a few other relevant green areas in which we also uphold the best soil management practices — namely, in the hotel and leisure segment:

• **AZORIS FAIAL GARDEN:**

12 677 acres of gardened area — excluding buildings — with a tennis court, a pool, a lake, and internal streets.

• **AZORIS ROYAL GARDEN:**

1062 acres of gardened area: south, north and central gardens.



REFORESTATION OF 150 TREES

In light of a consultation made to the Municipal Hall of Ponta Delgada, and as a way to preserve the Group's spirit of environmental protection, Finançor Distribuição Alimentar promoted a reforestation of 150 trees in the allotment of Carmo, in Livramento.

This initiative came through as compensation for the cutting of 25 trees during the intervention in the Solmar parking lot—which had the intention of improving the experience of customers.



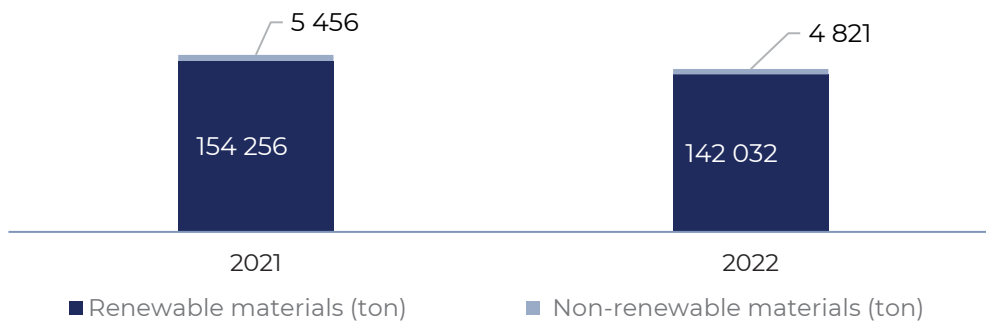
¹ Estimate executed by adapting a tool for calculating the carbon dioxide sequestration in forest areas that was provided by the Spanish Ministry for the Environment, for the validation of carbon sequestration projects. The tool is available at: <https://www.miteco.gob.es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.html>

Materials Management

The typology and quantity of utilized raw materials by the Group allow to understand the level natural resources dependency, as well as the impacts associated to their consumption. Due to its industrial activity, Finançor Agro-Alimentar is the Group’s company that consumes more materials—such as the raw materials needed for animal compost feed production and wheat flour production (milling).²

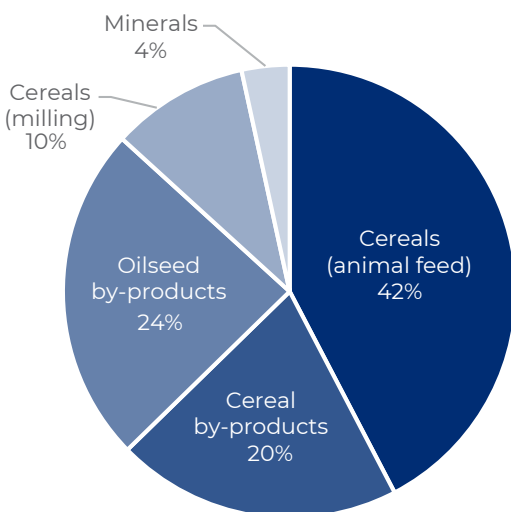
In 2022 — in comparison to 2021 — we reduced the amount of raw materials consumed by Finançor Agro-Alimentar in 8% (a reduction that was due to the reduction in sales of animal compost feed for dairy cows — consequence of a reduction of milk production in the Azores). The consumption of renewable raw materials represents 97% of total consumption.

CONSUMPTION OF RAW MATERIALS IN FINANÇOR AGRO-ALIMENTAR

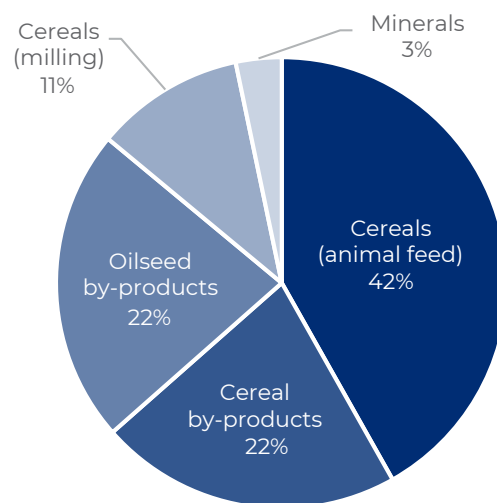


The main raw materials consumed in 2022 were: cereals (milling and animal feed)—which represented a total of 53%—and oilseed and cereal by-products—representing a total of 22% each.

CONSUMPTION OF MATERIALS IN THE AGRI-FOOD/FEED INDUSTRY (2021)



CONSUMPTION OF MATERIALS IN THE AGRI-FOOD/FEED INDUSTRY (2022)



² Part of the materials and/or products consumed e generated by Finançor Agro-Alimentar are then raw materials (animal feed then used by the Group's other companies that are in the animal farming and producing sectors. For reasons of coherence, we have opted to show only the information pertaining to the main raw materials consumed by Finançor Agro-Alimentar).

At Finançor, we actively aim the reduction of materials consumption: be it through the implementation of new technology and the optimization of processes, or through the substitution of unsustainable materials (such as single-use plastic products) for those that are more sustainable. Proof of this effort is reflected in the amount of implemented initiatives and action throughout the entire Group—of which we highlight:

REDUCTION OF SINGLE-USE PLASTIC PRODUCTS

Elimination of single-use plastic products in several places: butcher, cafés, delis, take-away and drive-through services, and hotels.

Customer incentive towards the reduction of ultralight plastic bags for fruits and vegetables, making available the possibility of buying reusable bags.

Plastic reduction in hotel key-car

Reduction of plastic bags for fruit, frozen goods, and others.

Promotion of the increase of reusable transportation boxes — as opposed to those that are single-use.

Reduction of plastic bags in customer deliveries.

SUBSTITUTION SUSTAINABLE ALTERNATIVES

Changing paper registers for digital ones (digital checklist, register sent via email).

Elimination of aluminium packaging for roasted chicken — substituting it for paper packaging.

Installation of automatic dispensers for hygiene and laundry detergents in production areas.

SUBSTITUIÇÃO POR ALTERNATIVAS MAIS SUSTENTÁVEIS

Installation of foamed soap automatic dispensers (reduction in consumption)

Installation of automatic hand-dryers.

Reduction of paper consumption by gradually switching to a reusable plasticised one.

ALTERATIONS MADE TO THE COMPOSITION OF MATERIALS

Reduction of the plastic thickness of cookie packages.

Increase in the use of paper originated in sustainable forests (as opposed to non-certified paper).

BEHAVIOUR MODIFICATIONS

Reduction of individual dose products purchasing by switching to bulk purchasing

Promotion of egg transportation in karts to reduce paper consumption

Reduction of cellophane film usage by training employees in its utilization

REDUCTION OF PLASTIC AND PAPER CONSUMPTION IN AZORIS HOTELS

Paper

In 2022, the Sustainability and Quality, F&B, Maintenance, and Hotel Directories switched to reusable writing supports: such as reusable plasticised documents, or online records and mobile apps. This initiative permitted to reduce the utilization volume of these materials in around 1447 pages, thus boosting the usage of reusable materials up to 64%. Our goal is to achieve 100% digital flux capacity.

In addition, many other measures were, and have been, adopted: switch from printed documents to digital ones; inform and train work teams to only print that which is strictly necessary; to carefully revise all documents before printing them; and printing documents using the front and back of paper.

Plastic

Reduction of plastic usage is a major concern for Finançor, especially pertaining to the mitigation of soil and water plastic and micro-plastic pollution. In light of this, we have implemented the following measures:

- Bulk acquisition of pellets (as opposed to the 33 pound bags). 113 pellet big-bags were bought, which amassed to a total of 3794 33 pound bags saved;
- Acquisition of refill system for shower gel and body lotion dispensers (13.3741 imp. fl. oz.), as opposed to the single-use bottles (1.05585 imp. fl. oz.). This measure allowed the Finançor Group hotels and housing units to present a line of amenities with no single-use products.

PROMOTING SUSTAINABLE CONSUMPTION OF ECO-DESIGNED PACKAGES

The implemented eco-design projected aimed the reduction of environmental impacts and the optimization of costs in production, transportation, and residue management in the packages of flour and cookie products of Moaçor. In 2022, we switched the paper in the package of our 2.20462 pound flour bags to FSC® certified paper. Furthermore, we reduced the thickness of cookie packets from 40 microns to 30 microns (a reduction in plastic of around 25%).

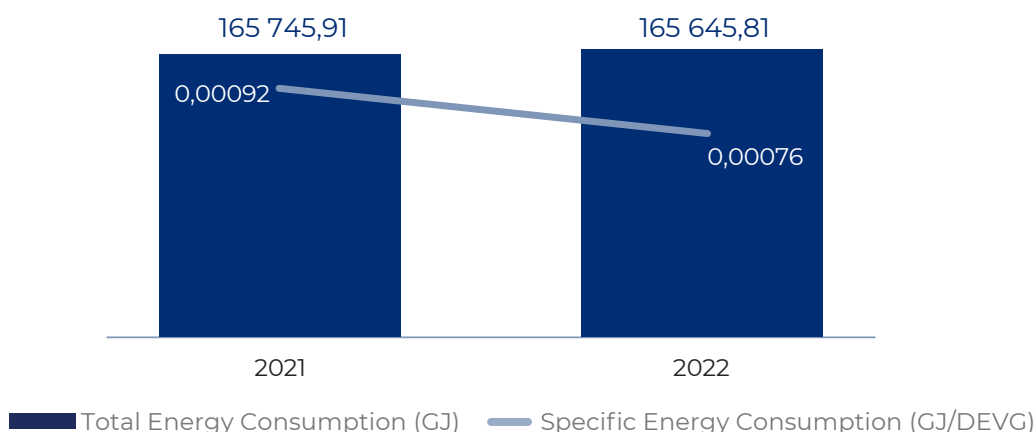


Energy Management

We have been promoting and investing in the development and implementation of measures that allow us to reduce and optimize our energetic consumption.

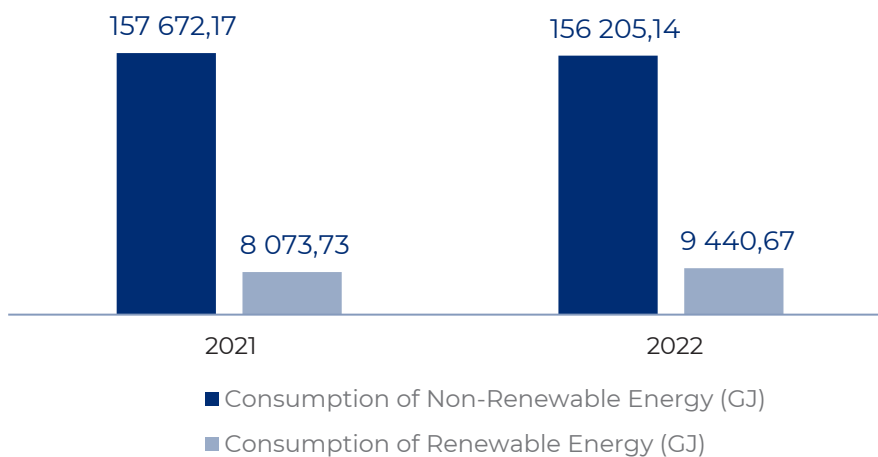
The total energy consumption in 2022 was similar to that of 2021 (with only a 0.1% of difference). In 2022, however, there was a 17% reduction of specific energy (GJ/DEVG), thus confirming the effort of reducing the impacts of energy consumption that we have been applying.

TOTAL ENERGY CONSUMPTION (GJ) AND SPECIFIC ENERGY CONSUMPTION (GJ/DEVG)



In addition, there was a 17% increase of renewable energy consumption and an approximately 1% reduction (in comparison with 2021) of non-renewable energy. We have been actively searching for more sustainable solutions, thus opting for renewable energy sources with larger energetic efficiency, such as photovoltaic panels.

CONSUMPTION OF RENEWABLE AND NON-RENEWABLE ENERGY (GJ)



PHOTOVOLTAIC PANELS

Solar photovoltaic panels are, nowadays, a competitive technology for local renewably produced energy. Finançor invests in solar energy harvesting since 2018, believing that it is a large benefit for sustainability. 109kW were installed in Salsiçor Terceira in 2019.

Recent difficulties in global energy production, corroborated by the consequent rise in prices and associated uncertainty, have proved our investment in this technology right—a potential superior to 2500kW was verified. From this potential, we foresee the short-term installation of 1790kW in several facilities of the Group and its companies.

With these investments, Finançor will possess an installed photovoltaic capacity of 1982kW, representing an estimated annual production of 2.4GWh (corresponding to 400GJ)—the equivalent of 0.3% of the annual consumption of energy in the Autonomous Region of the Azores. This contributes to annual³ reduction of 1 220 ton CO₂.



In accordance with the law (Decreto-Lei n° 71/2008), the Finançor Agro-Alimentar in Lagoa—as an large consumer of energy—is subject to Energetic Audits intended to evaluate its energetic performance. As such, we took on the development of a Plan for the Rationalization of Energy (PRE). This plan was composed the by Rational Use of Energy standard methodology, the implementation of which allows for a reduction in the energetic markers of the facility, and improves its energetic efficiency. The execution of the PRE is monitored every two years by an external entity; and, the subsequent reports are sent to the General Directory for Energy and Geology.

³ Emissions were calculated using the emission factor of each island in the supply made by EDA. For more details on the calculating methodology and utilized emission factors, check Methodology Notes portion of this report.

Diligences are underway: starting with the infrastructure modernization of the Group's companies, a plan of action has ensued—one that foresees changes in behaviour and habits:

Installation of movement/presence detectors

Reduction of the ventilators' speed to an optimized level of function using methods of accurate tuning

Conduction of Energetic Audits for solution survey and maintenance, in order to promote energetic efficiency

Awareness raising of employees regarding the reduction of energy consumption

Progressive substitution of fluorescent lights (making the switch for LED lamps)

Optimization of working periods of time for ovens by use of automatic programming systems and employee training on management and saving

“SUSTAINABLY ILLUMINATING THE FUTURE”

The rationalization of energetic consumption is a pillar in the prevention of climate alterations. This motivates companies to implement initiatives that reduce energetic use, thus contributing both to a sustainable future and the reduction of operational costs.

In the search for a rational use of the necessary energy, while remodelling the Pingo Doce stores, we installed more efficient technological systems of lighting (LED) and of refrigeration (freezer cabinets with doors and covering lids).



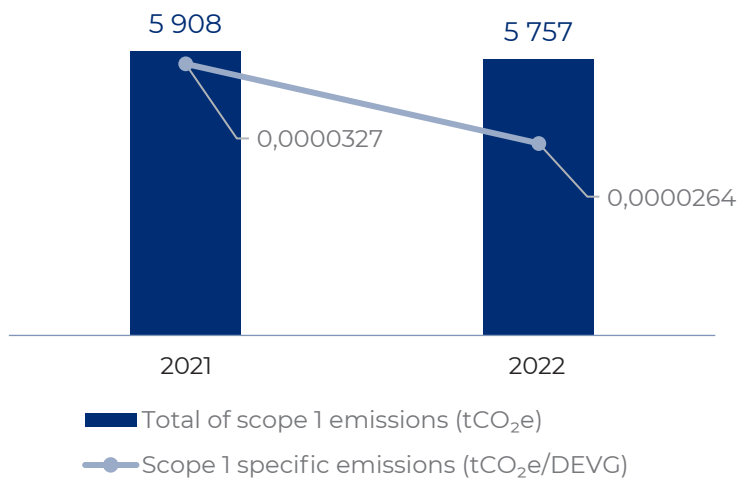
Emissions Management

We are aware that the prevention of climate change is currently one of the hardest challenges imposed on mankind. We believe that only through a joint effort will we be able to achieve the goal of reducing the global average temperature by 1.5oC—thusly covenanted in the Paris agreement. Committed to do its part, Finançor has implemented measures for the reduction of its carbon print.

	2021	2022	Fluctuation 21/22
Total of Scope 1 Emissions (tCO ₂ e)	5 908	5 757	- 3%
Total of Scope 2 Emissions (tCO ₂ e) market-based ⁴	10 846	11 175	+ 3%
Total of Scope 1 and 2 Emissions (tCO ₂ e)	16 754	16 933	+ 1,06%

In 2022 — in comparison with 2021 — we were able to secure a 3% reduction of scope 1 emissions: direct emissions, corresponding to the use of fuels in our activities. In addition, there was a 19% reduction in scope 1 specific emissions, thus reflecting greater efficiency.

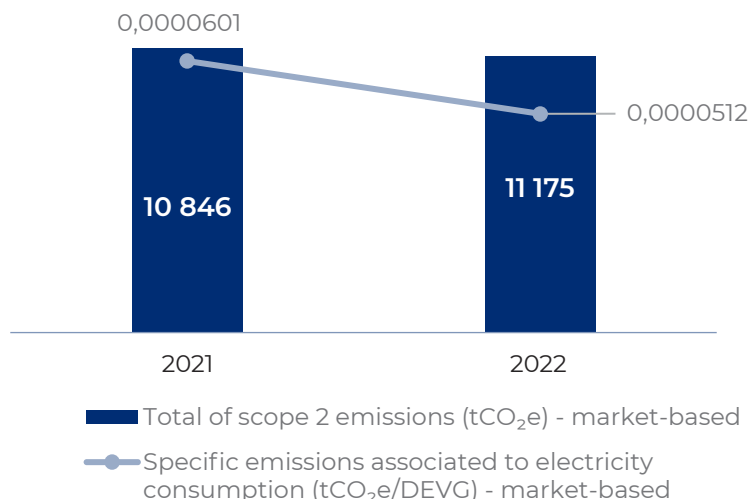
SCOPE 1 GHG EMISSIONS (tCO₂e)



In 2022 — in comparison with 2021 — there was a 3% increase in scope 2 emissions (indirect emissions that reflect a consumption of electric energy—provider: EDA). There was, however, a reduction of 15% in scope 2 specific emissions (tCO₂e/DEVG). We highlight the fact that our scope 2 emissions (directly related to our energy provider) are above average, when compared to mainland Portugal — which only goes to show that there is still a large margin for improvement in the transition to renewable energy in the Autonomous Region of the Azores.

⁴ Emissions were calculated using the emission factor of each island in the supply made by EDA. For more details on the calculating methodology and utilized emission factors, check Methodology Notes portion of this report.

SCOPE 1 GHG EMISSIONS (tCO₂e)



SWITCHING FROM A FUEL BOILER TO A WOOD PELLET BOILER

Wood pellets are a densified biomass organic fuel originating from wood residue. The burning of pellets originates a neutral cycle of CO₂ emissions, seeing as the generated CO₂ emissions are equivalent to the CO₂ sequestered by the trees—when still in the forest. With a heat power over 17MJ/kg, wood pellets have humidity and ash contents of 10% and 0.7%, respectively—this confers it high efficiency combustion with high energetic value.

This switch to a wood pellet boiler will allow us to prioritize the consumption of pellets over that of fuel. We estimate a reduction of, at least, 50% in fuel consumption, which will prevent the emission of approximately 545 tCO₂e per year into the atmosphere (50% of the fuel consumed in 2022).

Complementarily, the acquisition of pellets is done locally, in a pellet production unit: a twofold benefit for local economy and the environment—seeing as the later mitigates the environmental impact caused by the transportation of external importing.



REDUCTION OF FLUORINATED GASES

During the remodelling of the Finançor Distribuição Alimentar stores, we kept in mind all the impacts our activities may perpetrate upon the planet. Predicated on this, we were able to eliminate cooling systems that used fluorinated gases, and now use CO₂ based cooling systems. Until now, those systems have already been implemented in four Pingo Doce stores. With this switch, we have actively contributed to the elimination of fluorinated greenhouse gas (FGHG) leaks, and have thus improved the transition to a more sustainable refrigeration system (with a smaller environmental impact).



The implemented initiatives were designed to optimize internal processes: switching to alternatives that are more sustainable and have a smaller carbon impact, as well as adopting and investing in zero emission renewable energies. Of these, we highlight the following:

Switching from a butane installation to an electric installation

Substituting the people and stock transportation fleet for Adblue powered vehicles

Progressively correcting the power rates of the silo engines to adequate levels

Substitution of the refrigerators and freezing cabinets for two larger chambers

Gas leak maintenance and capturing

Substituting the burner for a smaller, more efficient, one

Management of Hydric Resources

In similar fashion to the management of materials and energy consumption, Finançor made a compromise of using hydric resources in a responsible and though through manner—doing so by developing specific solutions that cater the reality of each of our companies.

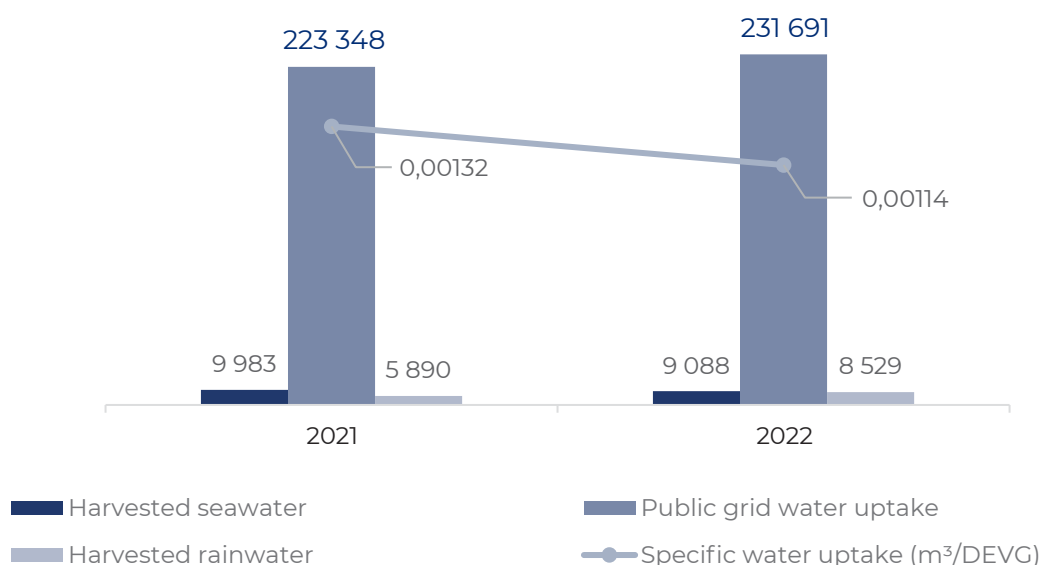
In addition, we have also adapted to a controlled approach of water consumption and consequent management and monitoring—in accordance with the source of the consumed water. In their majority, the Group’s companies consume public grid water and harvested rain water. They also consume, in a far smaller scale, harvested salt water that has been transformed through a process of inverted osmosis.

RAINWATER HARVESTING

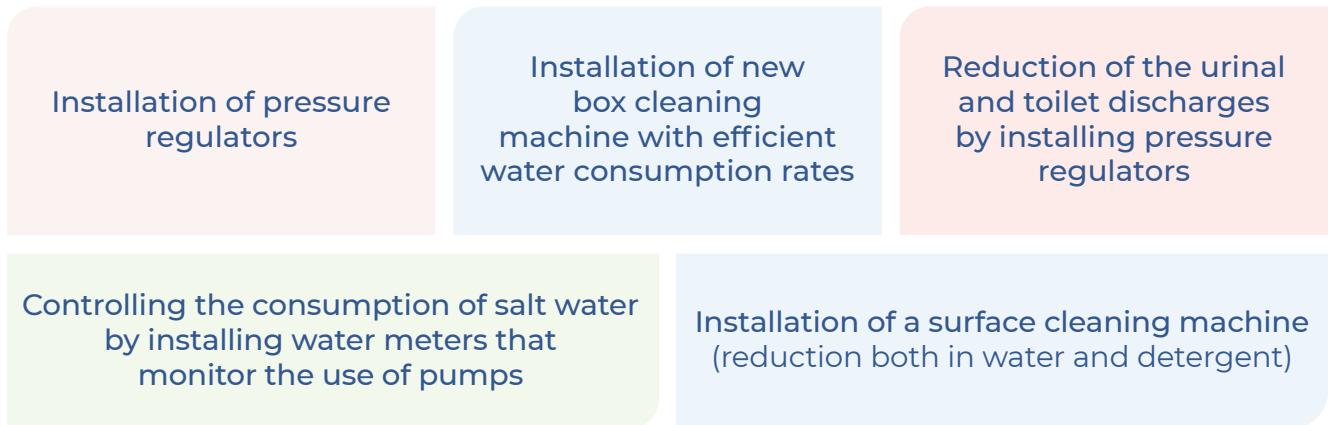
In light of the optimization of hydric resource usage, we made use of our knowledge of the cycle of water, and have been implementing rainwater harvesting procedures in several of the Group’s companies. To do so, we integrated water collecting containers in the respective units. This water, after having been treated, will be mostly used in various washing processes.

In comparison with 2021, there was a 4% increase in the total quantity of water uptake. There was also a 4% increase in the consumption of public grid water — which represents the largest consumption of water in the Group. There was, nonetheless, a 14% reduction of specific water uptake (m³/DEVG) in 2022 — when compared with 2021. This confirms the efficacy of the implemented mechanisms. Furthermore, there was a 9% reduction of the total harvested seawater, and a very positive 45% increase of harvested rainwater.

TOTAL WATER UPTAKE (m³)



The verified reduction in water consumption is a direct consequence of our measures implementation efforts, which enabled a direct reduction of the use of this resource and the optimization of processes, thus making them more efficient — namely:



Residue Management

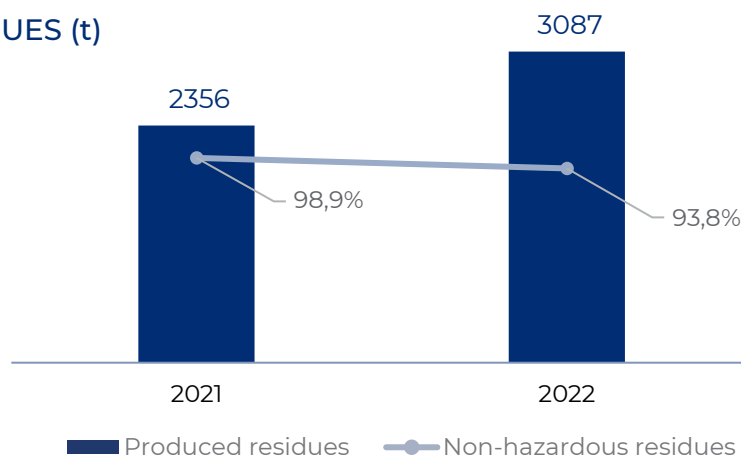
At Finançor, we work daily to reduce the negative impacts of residue production. Our concern is that of efficiently managing residues, thus privileging its reduction and valorization, but also promoting solutions that ingrate it in a circular economy cycle.

The diversity of residues we produce, due to the various activities of our companies, forces us to consider each case singularly. However, this conditioning is an opportunity for us: we can invest in company synergy, thus integrating residue harnessing throughout the entire value chain.

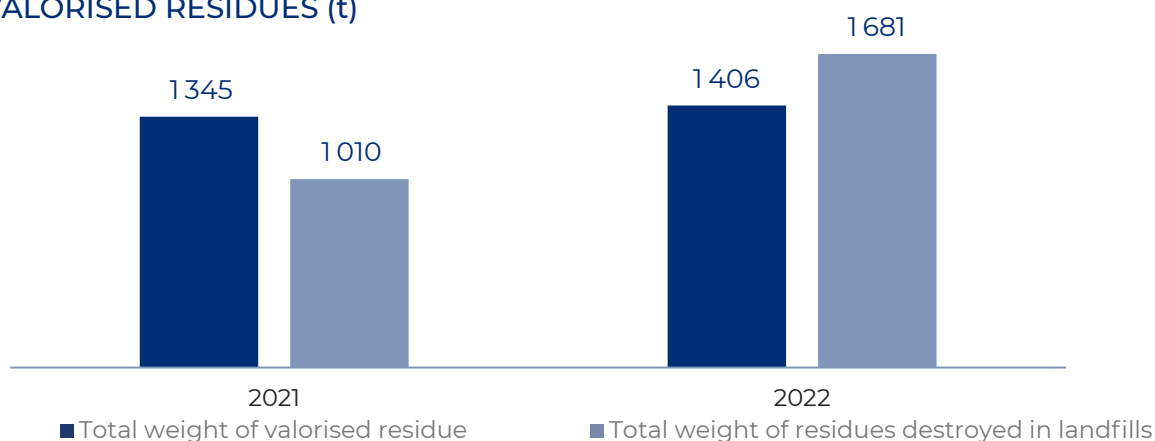
Our approach to residue management stems from two perspectives: quantitative prevention—reduction of produced residues—and qualitative prevention—reduction of its hazardousness. As such, hazardous residues are stored separately from the remaining residues, in properly isolated and identified places. The storage of produced residues is conducted in areas that are adequately impermeabilized and covered, so as to avoid diffuse contamination. Liquid residues are placed in sealed locations that are properly equipped with retention basins.

In 2022, there was an increase in the quantity of produced residues, but also of residues disposed in landfills. This was a result of remodelling and modernizing the Finançor stores and spaces, an effort which demanded further cleaning and residue assortment—by typology.

PRODUCED RESIDUES (t)



RELATION BETWEEN RESIDUES DESTROYED IN LANDFILLS (t) AND VALORISED RESIDUES (t)



We continue to actively develop initiatives and search for solutions that reduce the production of residues—especially of hazardous residues and the increase of their valorization rate. From these, we highlight the following:

- Monitoring and substitution of equipment to reduce hazardous residue production
- Lightbulb, waste from electrical and electronic equipment, and battery collecting units
- Promotion of complete separation of recyclable residues through employee training and awareness raising
- Collecting units for coffee capsules
- Collecting units for customer-used food oils
- Creation of organic and by-product residue processing unit for the Group's activities in São Miguel island



Regarding the circularity of materials, we invested in the incorporation of by-products originated from other industries—national and foreign. We also invested in the harnessing of the by-products resulting from our own activities—an investment that valorises raw materials, thus contributing to the reduction of disposed residues and boosting circular economy.

“THIS IS NOT TRASH” INITIATIVE

Salsiçor developed a partnership with the FrenT.PT—Recycle Protein company, which is responsible for managing and harnessing residues. Since August 2022, approximately 77.1618 tons of the animal by-products generated by Salsiçor stopped being sent to landfills and started being sent to the production of pet food.

Storage of these by-products is done by putting them in space-saving octagonal card boxes, which are then put in a controlled environment for transportation. We have also opted for larger containers, so that less, but more fruitful, trips are made.

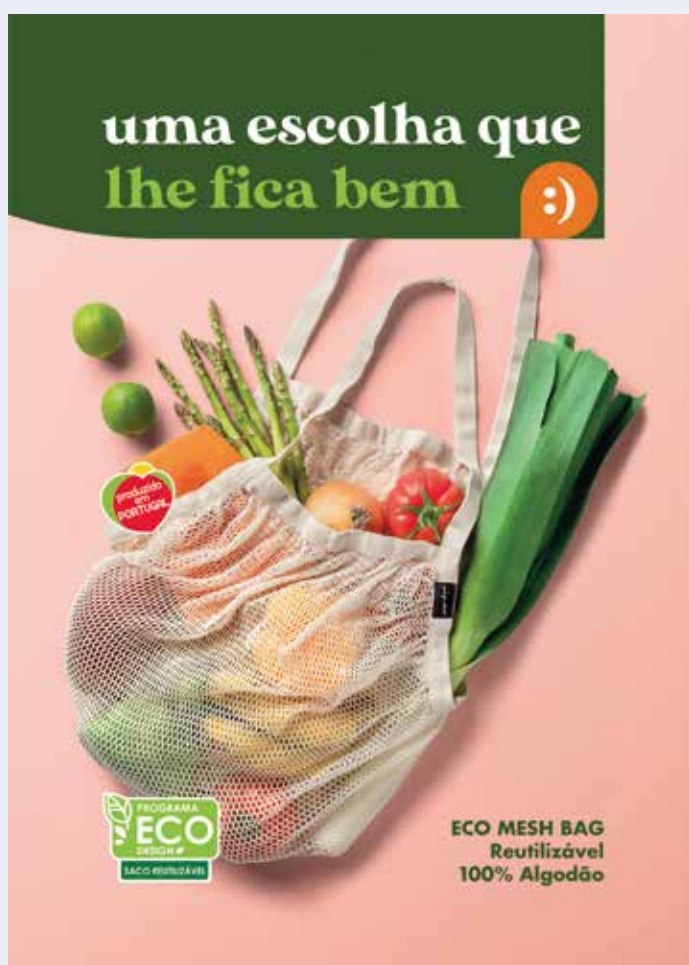
This initiative was inspired by the “zero waste” line of thought, and ensures that all legal obligations are abided by in the management of animal origin by-products that are not intended for human consumption (Regulamento (CE) n.º 1069/2009).



“A CHOICE THAT SUITS YOU WELL” INITIATIVE

We are well aware of the impacts caused by residues on ecosystems, especially those that are closer to us—the Archipelago of the Azores. With that in mind, and so that all can help and contribute to reduce single-use plastic consumption, Pingo Doce introduced the eco mesh bags in all their stores—including in the Autonomous Regions of the Azores and of Madeira.

The eco mesh bags are a sustainable, pragmatic, versatile and appealing alternative for carrying ones groceries and day-to-day objects, or simply for going to the beach. These reusable bags are produced nationally, with an exclusive and limited production. They are of high quality, resistance and durability, and were developed to respect the environment.



Given the current context, in which sustainability is a global concern, sustainability reports have become increasingly more important. Companies need to adapt to the concerns of a market that further valorises responsible and sustainable practises.

As such, we hope our Sustainability Report reflects the Group's progress and triumphs; we also hope it may inspire other companies to go down a more sustainable path in their operations and activities. We are proud of the compromises and transparency that we have adopted, and we are eager to continue showing and sharing our progress from report to report.

Together, we can build a more sustainable future for all!

Much obliged.

At Finançor, we work to create long-term sustainable value for our clients, consumers, our employees and stakeholders, and the surrounding society.



Annexes



GRI Table

Declaration of Use	Finançor has reported in conformity with the GRI Standards for the period comprehended bounded by January 1 st to the 31 st of December, 2022.
Utilized GRI 1	GRI 1: Foundation 2021
Applicable Sectorial Norm	Not applicable

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
General contents						
GRI 2: General contents 2021	2-1 Details about the Organization	Finançor SGPS, S.A. Rua da Pranchinha, n.º 92 · 9500-331 Ponta Delgada 02. About the Finançor Group > Areas of business	-	-	-	-
	2-2 Entities included in the organization's Sustainability Report	02. About the Finançor Group > Areas of business	-	-	-	-
	2-3 Reporting period, frequency and contacts	01. About this report > Scope, timeframe and structure of report, and Contacts	-	-	-	-
	2-4 Information reformulation	The following report presents information pertaining to the time period comprehended bounded by January 1st to the 31st of December, 2022.	-	-	-	-
	2-5 External verification	01. About this report > External verification	-	-	-	-
	2-6 Activities, chain of value, and other business relations	02. About the Finançor Group > Areas of business	-	-	-	-
	2-7 Employees	06. People and Community > Our people See table below.	-	-	-	-

	2021			2022		
	M	F	TOTAL	M	F	TOTAL
Permanent contracts	583	582	1165	613	606	1219
Açores	583	582	1165	613	606	1219
Madeira	0	0	0	0	0	0
Continental Portugal	0	0	0	0	0	0
Temporary contracts	152	140	292	144	224	368
Açores	152	140	292	144	224	368
Madeira	0	0	0	0	0	0
Continental Portugal	0	0	0	0	0	0
With no guaranteed hours of work	0	0	0	0	0	0
Açores	0	0	0	0	0	0
Madeira	0	0	0	0	0	0
Continental Portugal	0	0	0	0	0	0
TOTAL	735	722	1457	757	830	1587
Full-time	719	684	1403	747	771	1518
Açores	719	684	1403	747	771	1518
Madeira	0	0	0	0	0	0
Continental Portugal	0	0	0	0	0	0
Part-time	16	38	54	10	59	69
Açores	16	38	54	10	59	69
Madeira	0	0	0	0	0	0
Continental Portugal	0	0	0	0	0	0
TOTAL	735	722	1457	757	830	1587

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
General contents						
GRI 2: General contents 2021	2-8 Temporary, independent and subcontracted workers	Finançor contracts a non-significant number of temporary, independent and subcontracted workers (shown in the table below in FTE), who are contracted for the following positions: interns, security, warehouses, cleaning, extras and spa (the last two are examples in the hotel business). See table below.	-	-	-	-

	2021	2022
Number of temporary, independent and subcontracted workers whose work is monitored by the organization (FTEs)	69,78	69,18

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
General contents						
GRI 2: General contents 2021	2-9 Governance structure and composition	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-

Formal education and skills, experience and relevant participations

Position(s) occupied in the Finançor Group

José Manuel Almeida Braz

- BA in Industrial Chemical Engineering at Instituto Superior Técnico de Lisboa (1970)
- Professor at the Antero de Quental Highschool
- Manager and founder of companies in the Agri-food business —production, transformation and industrialization (since 1974)
- Other:**
- Honorary Consul for Belgium in Autonomous Region of the Azores
- Member of the Ponta Delgada Rotary Club
- President of the General Council of the University of the Azores
- Official Representative of the Azores for the candidacies of Dr. Mário Soares (1990) e Dr. Jorge Sampaio (1995 e 2001) to President of the Portuguese Republic;
- Member of the Ponta Delgada Municipal Assembly (1990/1993);
- Vice-President of the Ponta Delgada Commerce and Industry Directory (1995/1997)
- President of the CCIPD Fiscal Council (1998/2002)
- Member of the Regional Council for Incentives of the Regional Government of the Azores (1998/2002)
- President of Administration Board of Verdegolfe, S.A. (1997/2003)
- Awards and commendations:**
- Commander of the Order for Industrial, Commercial and Agricultural Merit (Class of Industrial Merit), granted by the President of the Portuguese Republic (2001)
- Received the Autonomic Insignia for Industrial, Commercial and Agricultural Merit (2014), granted by the Regional Legislative Assembly of the Açores.
- Received a Knight of the Order of Leopold commendation from King Phillippe of Belgium (2022)

President of the Board of Administration in the following Companies:

- Finançor, SGPS, S.A.
- Azoris, SGPS, S.A.
- Finançor Agro-Alimentar, S.A.
- Agraçor – Suínos dos Açores, S.A.
- Provipor – Produção de Alimentos para Animais, Ltd.
- Noviçor – Sociedade Agro-Pecuária de São Vicente, S.A.
- Moaçor – Sociedades Reunidas de Moinhos Açores, S.A.
- Altiprado – Empresa Agro-Pecuária da Achada das Furnas, S.A.
- Salsiçor – Salsicharia dos Açores, S.A.
- Nako Açores, S.A.
- Aquazor, S.A. – Aquicultura e Biotecnologias Marinhas dos Açores, S.A.
- Manager of the following Companies:**
- Granpon – Granja Avícola de Ponta Delgada, Ltd.
- Avigex – Sociedade de Empreendimentos Avícolas e de Frio, Ltd.
- Pondel – Avícola de Ponta Delgada, Ltd.
- Bovimadeira – Exploração de Bovinos da Madeira, Ltd.

José Romão Leite Braz

- BA in Engineering and Industrial Management at Instituto Superior Técnico (1998)
- Account Representative at the Commercial Directory of Procter&Gamble Portugal S.A. (1998-2000)
- Others:**
- President of IACA— Portuguese Association for Compost Animal Feed Industrialists—since 2018 (Director since 2006)
- Member of the Board of Directors of FEFAC (European Feed Manufacturers' Federation) since 2020
- President of the General Assembly of ALISP (Free Association of Portuguese Pig Farmers) since 2011
- Vice-President of the General Assembly of AHP (Portuguese Association for Hospitality) since 2022
- Honorary Consul for the Netherlands in the Autonomous Region of the Azores (since 2009)

• Executive President of the Finançor Group

Member of the Administration/Management Boards of:

- President of the BA:**
- Finançor Distribuição Alimentar, Ltd. (Supermercados Pingo Doce e Solmar nos Açores); Finançor Cash&Carry, Ltd. (Recheio Ponta Delgada); Azoris Hotéis, S.A. (Azoris Royal Garden – Leisure & Conference Hotel; Azoris Faial Garden Resort Hotel; Azoris Angra Garden Plaza Hotel)
- Vice-President of the BA:**
- Finançor, SGPS, S.A.
- Finançor Agro-Alimentar, S.A.
- Agraçor – Suínos dos Açores, S.A.
- Salsiçor – Salsicharia dos Açores, S.A.
- Noviçor – Novilhos dos Açores, S.A.
- Altiprado – Empresa Agro-Pecuária da Achada das Furnas, S.A.
- Avigex – Sociedade de Empreendimentos Avícolas e de Frio, Ltd.
- Pondel – Avícola de Ponta Delgada, Ltd.
- Granpon – Granja Avícola de Ponta Delgada, Ltd.
- Provipor – Produção de Alimentos para Animais, Ltd.
- Aquazor, S.A. – Aquicultura e Biotecnologias Marinhas dos Açores, S.A.
- TNA – Tecnologia e Nutrição Animal, S.A.
- Nako Açores, S.A.
- Azoris, SGPS, S.A.

**Formal education and skills,
experience and relevant participations**
Position(s) occupied in the Finançor Group

Bárbara Ana Leite Braz	<ul style="list-style-type: none"> • BA in Economics at Nova School of Business & Economics (1995) • Specialization Course in Management Consultancy at INDEC/ISCTE (1997) • Assessor/consultor to the Board of Administration of Lacticínios Vigor (1995-1997) • Client Manager at the Centro de Empresas do Banco Comercial Português (1998-2001) 	<ul style="list-style-type: none"> • Diretor of Avigex Member of the Administration/Management Boards of: • Finançor, SGPS, S.A. • Finançor Cash & Carry, Ltd. (Recheio Ponta Delgada) • Azoris, SGPS, S.A. • Azoris Hotéis, S.A. (Azoris Royal Garden–Leisure & Conference Hotel; Azoris Faial Garden Resort Hotel; Azoris Angra Garden Plaza Hotel) • Novilhos – Novilhos dos Açores, S.A. • Pempar, Ltd.
António Barracho	<ul style="list-style-type: none"> • 12th grade • General Management Course, at Universidade Nova; Cornell Food Executive Program, at Cornell University; Management Program for JM Managers, at Nova University • PADE – Program for High Business Management, at the AESE Business School • Acquisition Arminho company and purchasing manager (1991) • National Director of Operations (2008) • General Director of the company Recheio (2012) • Cash&Carry International Expansion Director and Export Director for the Jerónimo Martins Group (since 2021) 	<ul style="list-style-type: none"> Member of the Administration Boards of: • Finançor Distribuição Alimentar Ltd. (since 2021) • Finançor Cash & Carry, Ltd. (since 2021)
Hugo Miguel Canaipa de Oliveira Gonçalves	<ul style="list-style-type: none"> • BA in Economics at Universidade Nova de Lisboa • Post-graduation in management at the University of the Azores • Post-graduation in Fiscal Law at Instituto de Direito Económico Financeiro e Fiscal, FDL • Member of the Economists Order • Member of the Certified Accountants • Economist at Tachinha & Filhos Ltd. (1999-2004) • Financial Controller at Finançor Agro-Alimentar S.A. (2004-2011) 	<ul style="list-style-type: none"> • Administrative and Financial Director at Finançor Agro- Alimentar S.A. (2011-2016) Member of the Administration Boards of: • Administrator at Finançor Agro- Alimentar S.A. (since 2016) • Administrator at Moaçor S.A. (since 2017) • Administrator at Finançor Distribuição Alimentar S.A. (since 2020)
Isabel Ferreira Pinto	<ul style="list-style-type: none"> • BA in Economics at Universidade Católica Portuguesa • Marketing of the Recheio Cash & Carry chain • General Director for Pingo Doce (since 2016) 	<ul style="list-style-type: none"> Member of the Administration Boards of: • Finançor Distribuição Alimentar Ltd.. (since 2021) • Finançor Cash & Carry, Ltd. (since 2021)
José Pedro Lopes Trindade	<ul style="list-style-type: none"> • Licenciado em Administração e Gestão de Empresas pela Universidade Católica Portuguesa (1981/1986) • Contabilista Certificado – nº 14.405 Outros: • Atividade de Gestão, consultoria e auditoria na Arthur Andersen & Co. ("AA&Co.") (1986/1993) • Desempenho de diversas funções no Grupo Rentipar, "holding" fundada em 1991, pelo já falecido Comendador Horácio da Silva Roque ("Horácio Roque"). Integração de diversos conselhos de administração, com funções executivas, de entidades que exercem atividade nas áreas do turismo, indústria tabaqueira e agro-alimentar (desde 1993). • Conselho de Administração de uma ONG: Change for Humanity • Colaboração com o projeto SOUMA (presta apoio a pessoas carenciadas). 	<ul style="list-style-type: none"> Member of the Administration Boards of: • Azoris Hotéis, S.A. (Azoris Royal Garden – Leisure & Conference Hotel; Azoris Faial Garden Resort Hotel; Azoris Angra Garden Plaza Hotel)(since 2020)
Luis Miguel Dias da Silva	<ul style="list-style-type: none"> • BA in Business Management and Organization at ISCTE – Instituto Universitário de Lisboa (2004) • Advanced Management Program – Growth Acceleration—at Nova School of Business & Economics 	<ul style="list-style-type: none"> • Director at Finançor Agro-Alimentar • Assessor/consultor at Salsiçor – Salsicharia dos Açores, S.A. Member of the Administration/Management Boards of: • Nako Açores, S.A. • Finançor Distribuição Alimentar, Ltd. (Pingo Doce and Solmar Supermarkets in the Azores)
Nelson Néri Arruda Cabral	<ul style="list-style-type: none"> • BA in Business Management at the University of the Azores, with a specialization in Finance • Trader/broker in the Banif Açores Stock (1998-2007); • Consultor of financial investments in Banif Açores (2007-2009) • Certified Instructor and Trainer of bonds, obligations, investment funds and structured products in Banif Açores (2001-2009) • Certified Instructor and Trainer at Ponta Delgada Chamber for Commerce and Industry in the subjects of "Financial Calculus" and "Management and its Function" (2002-2006) • Manager of OPERPDL – Port of Ponta Delgada Society for Port Operations Ltd. (since 2010) 	<ul style="list-style-type: none"> • General Diretor of the Salsiçor Group since June 2009 Member of the Administration/Management Boards of: • Administrator at Salsiçor – Salsicharia dos Açores, SA and of Salsiçor Terceira (since 2017) • Administrator at Finançor Cash & Carry (since 2020)
Victor Manuel Pimentel Rezendes	<ul style="list-style-type: none"> • BA in Animal Production Engineering at Escola Superior Agrária de Santarém. • PAGE (Advanced Executive Management Program) at Católica Lisbon School of Business & Economics—Universidade Católica Portuguesa 	<ul style="list-style-type: none"> • Production Director and Supervisor in Agraçor — Suínos dos Açores SA (since 1994) • Technical Consultor in Altiprado (Dairy cattle farming) (2010-2011) Member of the Administration/Management Boards of: • Member of the Board of Administration at Agraçor, SA • Manager of Provipor-Produção de Alimentos Para Animais, Ltd. • Manager of Granpon-Granja Avícola de Ponta Delgada, Ltd. • Manager of Pondel-Avícola de Ponta Delgada, Ltd.

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
General contents						
GRI 2: General contents 2021	2-10 Appointment and selection for the highest organ of governance	The appointment and selection for the highest organ of governance is a responsibility of the stakeholders. Their decision is made in light of the competence and experience in the respective position in contemplation, and the consequent impacts for the organization. Seeing as it is a company of a somewhat familiar character, stakeholders do also, eventually, hold executive positions of governance. Notwithstanding, diversity is always kept in mind.	-	-	-	-
	2-11 President of highest organ of governance	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-12 Role played by the highest organ of governance in the supervision of impact management	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-13 Responsibility Delegation of impact management	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-14 Role played by the highest organ of governance in the sustainability Report	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-15 Conflicts of interest	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	-16 Communication of critical concerns	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-17 Collective knowledge of highest organ of governance	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-18 Performance evaluation of the highest organ of governance	The members of the Finançor Group Board of Administrators should perform their duties diligently, thus keeping in mind the best interests of stakeholders and employees, and follow the Finançor Group Code of Conduct and Ethics in doing so. The performance of Board of Administrators members is evaluated in accordance with criteria of efficiency, productivity and long-term value creation towards the Group. With this exercise, results are evaluated in accordance with the strategic cycle—and whether or not they fulfil the intended the financial and non-financial goals. Financial goals are considered with the following aspects in mind: Revenue, EBITDA, EBIT, Liquid Result, Net Debt/EBITDA and Equity. Non-financial goals are contemplated in light of the fulfilment of the Sustainability Strategy, as well as the engagement and participation level in activities related to Sustainability. In addition, we value intervention, the introduction of improvements, and the development proposals for products and services that reflect principles of sustainability. The process of evaluation is warranted yearly by the President of the Board of Administrators of the Finançor Group.	-	-	-	-
	2-19 Policy of remuneration	The Policies of Remuneration applied to the highest organ of governance and high executives are decided by stakeholders in the General Assembly.	-	-	-	-

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
General contents						
GRI 2: General contents 2021	2-20 Process for determining of remuneration	The Policies of Remuneration applied to the highest organ of governance and high executives are decided by stakeholders in the General Assembly.	-	-	-	-
	2-22 Declaration of the sustainable development strategy	Message of the Administration Board	-	-	-	-
	2-23 Policies	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-24 Incorporation of Policies	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-25 Processes for negative impacts mitigation	02. About the Finançor Group > Governance, ethics and Group policies > Governance	-	-	-	-
	2-26 Advisement and communication of concerns mechanisms	02. About the Finançor Group > Governance, ethics and Group policies > Governance > Policies and Codes of the Finançor Group	-	-	-	-
	2-27 Conformity with laws and requirements	In 2021 and 2022, there were no registered significant penalties related to law and requirement conformity.	-	-	-	-
	2-28 Participation in Sectoral partnerships	02. About the Finançor Group > Sectoral partnerships and compromises	-	-	-	-
	2-29 Approach to the engagement of stakeholders	03. Our Strategy > Stakeholder engagement	-	-	-	-
2-30 Agreements of collective negotiation	See table below.	-	-	-	-	

	2021	2022
Total of employees encompassed by collective work agreements (no.)	1275	1466
Total of unionized employees (no.)	93	95
Percentage of employees encompassed by collective work agreements (%)	88%	92%
Percentage of unionized employees (%)	6%	6%

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
Material Issues						
GRI 3: Material Issues 2021	3-1 Definition process of material issues	01. About this report > Materiality assessment	-	-	-	-
	3-2 List of material issue	01. About this report > Materiality assessment	-	-	-	-
Animal Welfare						
GRI 3: Material Issues 2021	3-3 Management of material issues	04. Business > Our products and services > Animal Production	-	-	-	-
GRI 304: Biodiversity 2016	304-1 Operational facilities (owned, rented, or managed) in the vicinities of protected areas and areas of high biodiversity value outside of protected areas.	04. Business > Our products and services > Animal Production 07. Environment > Soil management	-	-	-	-
Mission, vision and strategy						
GRI 3: Material Issues 2021	3-3 Management of material issues	02. About the Finançor Group > Mission, vision, values	-	-	-	-

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	

Ethics and transparency

GRI 3: Material Issues 2021	3-3 Management of material issues	02. About the Finançor Group > Governance, ethics and Group policies > Ethics	-	-	-	-
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Management of energy and energetic efficiency

GRI 3: Material Issues 2021	3-3 Management of material issues	07. Environment > Energy management	-	-	-	-
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GRI 302: Energy 2016	302-1 Energy consumption in the organization	07. Environment > Energy management See table below.	-	-	-	-
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Energy consumption	2021	2022
Diesel (GJ)	28 184	27 657
Gasoline (GJ)	614	584
Gas (GJ)	18 810	17 844
Fuel oil(GJ)	17 426	14 672
Pellets (GJ)	2 363	3 345
Biogas (GJ)	5 238	5 527,32
Electricity (GJ)	92 638	95 448
Produced electricity (GJ)	473	568
Total energy consumption (GJ)	165 746	165 646

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	

Energy management and energy efficiency

GRI 302: Energy 2016	302-4 Reduction of energy consumption	07. Environment > Energy management	-	-	-	-
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Sustainable agricultural practices and soil usage

GRI 3: Material Issues 2021	3-3 Management of material issues	07. Environment > Soil management	-	-	-	-
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GRI 304: Biodiversity 2016	304-1 Operational facilities (owned, rented, or managed) in the vicinities of protected areas and areas of high biodiversity value outside of protected areas.	07. Environment > Soil management	-	-	-	-
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GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
Residue management						
GRI 3: Material Issues 2021	3-3 Management of material issues	07. Environment > Soil management	-	-	-	-
GRI 306: Residues 2020	306-1 Production of residues and significant impacts related to residues	07. Environment > Residue management	-	-	-	-
GRI 306: Residues 2020	306-2 Management of significant impacts related to residues	07. Environment > Residue management	-	-	-	-
GRI 306: Residues 2020	306-3 Generated residues	07. Environment > Residue management See table below.	-	-	-	-
					2021	2022
Hazardous residues (t)					26	191
Non-hazardous residues (t)					2 330	2 897
Total amount of residues (t)					2 356	3 087

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
GRI 306: Residues 2020	306-4 Residues not sent for final waste disposal	07. Environment > Residue management See table below.	-	-	-	-
					2021	2022
Total weight of residues sent for final waste disposal (t)					1 345	1 406
Hazardous residues (t)					24	190
Non-hazardous residues (t)					1 321	1 216
Hazardous residues sent for final waste disposal (t)					25	190
i. Reutilization preparation					0	0
ii. Recycling					25	190
iii. Other salvaging operations					0	0
Non-hazardous residues sent for final waste disposal (t)					1 321	1 216
i. Reutilization preparation					0	0
ii. Recycling					1 321	1 216
iii. Other salvaging operations					0	0

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
Energy management and energy efficiency						
GRI 306: Residues 2020	306-5 Residues not sent for final waste disposal	07. Environment > Residue management See table below.	-	-	-	-

		2021	2022
Total weight of residues sent for final waste disposal (t)		1 010	1 681
Hazardous residues (t)		1	0,5
Non-hazardous residues (t)		1 009	1 681
Hazardous residues sent for final waste disposal (t)		1	0,5
i. Incineration (with energetic return)		0	0
ii. Incineration (without energetic return)		0	0
iii. Technical confinement in landfill		1	0,5
iv. Other disposal operations		0	0
Non-hazardous residues sent for final waste disposal (t)		1 009	1 681
i. Incineration (with energetic return)		0	0
ii. Incineration (without energetic return)		0	0
iii. Technical confinement in landfill		1 009	1 681
iv. Other disposal operations		0	0

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
Food waste prevention						
GRI 3: Material Issues 2021	3-3 Management of material issues	07. Environment > Residue management	-	-	-	-

Integração de princípios de economia circular e gestão do ciclo de vida dos produtos e serviços						
GRI 3: Material Issues 2021	3-3 Management of material issues	07. Environment > Materials management 07. Environment > Residue management	-	-	-	-

Saúde & segurança e bem-estar dos colaboradores						
GRI 3: Material Issues 2021	3-3 Management of material issues	06. People and Community > Health and Safety	-	-	-	-
GRI 3: Workplace Health and Safety 2018	403-1 Workplace Health and Safety management system	06. People and Community > Health and Safety	-	-	-	-
GRI 3: Workplace Health and Safety 2018	403-2 Hazard identification, risk evaluation and incident investigation	06. People and Community > Health and Safety	-	-	-	-
GRI 3: Workplace Health and Safety 2018	403-3 Workplace Health Services	06. People and Community > Health and Safety	-	-	-	-

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
Health & safety and well-being of employees						
GRI 3: Workplace Health and Safety 2018	403-4 Employee participation; consultation and communication with employees regarding workplace health and safety	06. People and Community > Health and Safety	-	-	-	-
GRI 3: Workplace Health and Safety 2018	403-5 Employee empowerment and workplace health and safety	06. People and Community > Health and Safety	-	-	-	-
GRI 3: Workplace Health and Safety 2018	403-6 Promotion of employees' health	06. People and Community > Health and Safety	-	-	-	-
GRI 3: Workplace Health and Safety 2018	403-7 Prevention and mitigation of workplace health and safety impacts directly related to business relations	06. People and Community > Health and Safety	-	-	-	-
GRI 3: Workplace Health and Safety 2018	403-9 Work related accidents and incidents	06. People and Community > Health and Safety See table below.	-	-	-	-

	2021			2022		
	M	F	TOTAL	M	F	TOTAL
Absolute employee numbers						
Deaths resulting from work related accidents	0	0	0	0	0	0
Work related accidents with grave consequences (excluding deaths)	1	1	2	1	0	1
Work related accidents of mandatory communication	60	34	94	57	32	89
Hours worked	1 355 963	1 235 298	2 591 260	1 354 776	1 362 040	2 716 816
Employee ratios						
Deaths resulting from work related accidents	0	0	0	0	0	0
Work related accidents with grave consequences (excluding deaths)	0,7	0,8	0,8	0,7	0	0,4
Work related accidents of mandatory communication	44	28	36	42	23	33

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
Food Safety						
GRI 3: Material Issues 2021	3-3 Management of material issues	04. Negócio > Os nossos produtos e serviços > Alimentação 05. Clientes e consumidores > Os nossos clientes	-	-	-	-
GRI 416: Customer Health and Safety 2016	416-1 Evaluation of products and services in health and safety	98% of the total 57 products and services categories is subject to evaluation in all the significant categories that may impact health and safety of customers and consumers. Note: the rate of 100% is not assured, seeing as Agraçor range of activities as a licensed operator of residue management has no direct relation with the impact on health and safety of customers and consumers.	-	-	-	-
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance in relation to impacts of products and services in health and safety	In 2021 and 2022, the Finançor Group registered no cases of non-compliance regarding voluntary codes and requirements related to the impacts generated by the impacts of products and services in health and safety.	-	-	-	-
GRI 417: Marketing and labelling 2016	417-1 Informational requirements in product and services labelling	Of the 48 product categories identified in the various companies of the Finançor Group, 96% (46) are product categories with specific labelling—namely, their content and final disposal recommendation.	-	-	-	-
GRI 417: Marketing and labelling 2016	417-2 Incidents of non-compliance in relation to products and services information	In 2021 and 2022, the Finançor Group registered no cases of non-compliance regarding information and labelling of products and services.	-	-	-	-
Customer and client satisfaction and product and service quality						
GRI 3: Material Issues 2021	3-3 Management of material issues	05. Clients and Consumers > Our clients	-	-	-	-
GRI 416: Customer Health and Safety 2016	416-1 Evaluation of the impacts of products and services in health and safety	98% of the total 57 products and services categories is subject to evaluation in all the significant categories that may impact health and safety of customers and consumers. Note: the rate of 100% is not assured, seeing as Agraçor range of activities as a licensed operator of residue management has no direct relation with the impact on health and safety of customers and consumers.	-	-	-	-
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance in relation to impacts of products and services in health and safety	In 2021 and 2022, the Finançor Group registered no cases of non-compliance regarding voluntary codes and requirements related to the impacts generated by the impacts of products and services in health and safety.	-	-	-	-

ECONOMIC DISCLOSURE							
GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard	
				Motive	Explanation		
GRI 200 – Economic Disclosure							
GRI 201: Economic performance							
GRI 201: Economic performance	201-1 Generated and distributed economic value	04. Business > Economic performance of the Group > Economic performance of the Group See table below.	-	-	-	-	
				2021	2022		
Direct economic value generated (€)				180 595 778	218 368 025		
Revenue				180 595 778	218 368 025		
Distributed economic value (€)				167 663 277	203 200 624		
Operational costs				140 499 986	171 929 526		
Salaries and worker's benefits				23 008 605	26 112 881		
Investor payments (dividend and interest)				1 520 044	2 283 387		
Payments to the State				2 514 222	2 712 106		
Donations and other community investments				120 421	162 723		
Accumulated economic value (€)				12 932 501	15 167 401		

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard	
				Motive	Explanation		
GRI 200 – Economic Disclosure							
GRI 201: Economic performance							
GRI 203: Indirect economic impacts	203-1 Investimentos em infraestrutura e apoio a serviços	06. People and Community > Our community	-	-	-	-	
GRI 204: Purchasing practises	204-1 Ratio of local suppliers' costs	04. Business > Supplier management See table below.	-	-	-	-	
				2021	2022		
Cost percentage with foreign suppliers (%)				10%	11%		
Cost percentage with local suppliers—regional and national (%)				90%	89%		

ENVIRONMENTAL DISCLOSURE							
GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard	
				Motive	Explanation		
GRI 300 – Environmental Disclosure							
GRI 301: Materials							
GRI 301: Materials	301-1 Consumption of raw materials	07. Environment > Materials management Note: the information regarding materials only includes data pertaining to the main materials consumed Finançaor Agro-Alimentar. Justification for this scope delimitation is offered in chapter 7. Environment.	-	-	-	-	
				2021	2022		
Renewable materials (t)				154 256	142 032		
Non-renewable materials (t)				5 456	4 821		

ENVIRONMENTAL DISCLOSURE

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	

GRI 300 – Environmental Disclosure
GRI 301: Materials

GRI 301: Materials	301-2 Consumption of raw materials originating from recycling	07. Environment > Materials management Note: the information regarding materials only includes data pertaining to the main materials consumed Finançor Agro-Alimentar. Justification for this scope delimitation is offered in chapter 7. Environment. Note 1: recycled materials and consumed by-products are taken into consideration when calculating the percentage of consumed raw materials.	-	-	-	-
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	2021	2022
Percentage of raw materials originating from by-products (%)	46,4%	46,5%

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	

GRI 303: Water and Effluents

GRI 303: Water and Effluents 2018	303-1 Interaction with water as a shared resource	07. Environment > Hydric resources management	-	-	-	-
GRI 303: Water and Effluents 2018	303-2 management of impacts related to water disposal	07. Environment > Hydric resources management	-	-	-	-
GRI 303: Water and Effluents 2018	303-3 Water collection	07. Environment > Hydric resources management See table below.	-	-	-	-

	2021	2022
Total collection of water (m³)	239 220	249 308
Superficial collection	0	0
Subterranean collection	0	0
Seawater collection	9 983	9 088
Collection of produced water	0	0
Water collection from third parties (public grid)	223 348	231 691
Rainwater harvesting	5 890	8 529

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
GRI 303: Water and Effluents						
GRI 303: Water and Effluents 2018	303-4 Effluents	07. Environment > Hydric resources management See table below.	-	-	-	-

	2021	2022
Volume of effluents per destination (m³)	28 318	39 820
Superficial waters	0	0
Subterranean waters	28 318	39 820
Seawater	0	0
Water from third parties (public grid)	0	0

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
GRI 303: Water and Effluents						
GRI 303: Water and Effluents 2018	303-5 Water consumption	07. Environment > Hydric resources management Note: water collection from third parties (public grid) was taken into account when calculating the consumption of water.	-	-	-	-

GRI 305: Emissions						
GRI 305: Emissions 2016	305-1 Scope 1 direct emissions of GHG	07. Environment > Emissions management	-	-	-	-
GRI 305: Emissions 2016	305-2 Scope 2 direct emissions of GHG	Environment > Emissions management See table below.	-	-	-	-

	2021	2022
Greenhouse gas direct emissions (scope 1)		
Total of emissions associated to the consumption of diesel (tCO ₂ e)	2 088	2 049
Total of emissions associated to the consumption of gasoline (tCO ₂ e)	43	40
Total of emissions associated to the consumption of butane gas (tCO ₂ e)	1 187	1 126
Total of emissions associated to the consumption of fuel oil (tCO ₂ e)	1 356	1 142
Total of emissions associated to the consumption of pellets (tCO ₂ e)	270	383
Total of emissions associated to the consumption of biogas (tCO ₂ e)	964	1 017
Total scope 1 emissions	5 908	5 757
Emissions associated to the consumption of electricity (tCO ₂ e) market-based	10 846	11 175
Emissions associated to the consumption of electricity (tCO ₂ e) location-based	3 448	3 552

SOCIAL DISCLOSURE

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
GRI 400 – Social Disclosure						
GRI 401: Employment						
GRI 401: Employment	401-1 New hires and rotation	06. People and Community > Talent management See table below.	-	-	-	-

	2021			2022		
	M	F	TOTAL	M	F	TOTAL
No. of entries by age and region						
<30 years	152	134	286	198	248	446
30 to 50 years	49	65	114	71	141	212
>50 years	1	6	7	5	9	41
Total	202	205	407	274	398	672
Rate of entries by age and region						
<30 years	10%	9%	20%	26%	30%	28%
30 to 50 years	3%	4%	8%	9%	17%	13%
>50 years	0%	0%	0%	1%	1%	1%
Total	14%	14%	28%	36%	48%	42%
No. of exits by age and region						
<30 years	113	97	210	140	160	300
30 to 50 years	54	60	114	64	107	171
>50 years	10	5	15	22	24	46
Total	177	162	339	226	291	517
Rate of exits by age and region						
<30 years	8%	7%	14%	18%	19%	19%
30 to 50 years	4%	4%	8%	8%	13%	11%
>50 years	1%	0%	1%	3%	3%	3%
Total	12%	11%	23%	30%	35%	33%

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
GRI 404: Training and education						
GRI 404: Training and education	404-1 Average number of training hours per employee	06. People and Community > Development and training See table below.	-	-	-	-

	2021			2022		
	M	F	TOTAL	M	F	TOTAL
Average number of training hours by category and gender						
Intermediate management	27,25	30,84	28,75	32,87	31,12	32,13
Senior technicians	15,69	30,12	24,53	17,63	35,30	27,44
Operational technicians	7,62	8,75	8,26	10,17	16,43	13,32
Others	9,28	17,07	13,35	13,77	17,10	15,54
Total	10,34	16,65	13,74	14,06	18,30	16,28

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	

GRI 404: Training and education

GRI 404: Training and education	404-3 Employee performance evaluation	06. People and Community > Development and training See table below.	-	-	-	-
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	2021	2022
Percentage of employees subject to performance evaluations		
Intermediate management	95%	100%
Senior technicians	100%	99%
Operational technicians	98%	98%
Others	93%	94%
Total	94%	94%

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	

GRI 405: Diversity and Opportunity Equality

GRI 405: Diversity and Opportunity Equality	405-1 Diversity in organs of management and amongst employees	06. People and Community > Our people See table below.	-	-	-	-
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	2021			2022		
	M	F	TOTAL	M	F	TOTAL
Employees by functional category, age and gender						
Governance organ—Administrators	0	0	0	1	0	1
<30 years	0	0	0	0	0	0
30 to 50 years	0	0	0	0	0	0
≥ 50 years	0	0	0	1	0	1
Top management (Administrators and managers)	8	2	10	9	2	11
<30 years	0	0	0	0	0	0
30 to 50 years	5	2	7	5	0	5
≥ 50 years	3	0	3	4	2	6
Intermediate management (Directors)	23	17	40	23	17	40
<30 years	0	0	0	0	0	0
30 to 50 years	17	12	29	17	14	29
≥ 50 years	6	5	11	8	3	11
Senior technicians	32	35	67	36	45	81
<30 years	10	10	20	12	14	26
30 to 50 years	22	25	47	22	31	53
≥ 50 years	0	0	0	2	0	2
Operational technicians	125	126	251	102	103	205
<30 years	12	8	20	9	4	14
30 to 50 years	96	86	182	69	60	129
≥ 50 years	17	32	49	24	38	62

	2021			2022		
	M	F	TOTAL	M	F	TOTAL
Employees by functional category, age and gender						
Others	547	542	1089	587	663	1250
<30 years	154	125	279	173	187	360
30 to 50 years	278	344	622	286	377	663
≥ 50 years	115	73	188	128	99	227

GRI	Content	Location	Omitted requirements	Omission		Ref. no. of the sectorial standard
				Motive	Explanation	
GRI 413: Local communities						
GRI 413: Local communities	413-1 Operations of engagement with the local community, with impact evaluations and development programs	06. People and Community > Our community 07. Environment	-	-	-	-
GRI 413: Local communities	413-2 Operations with significant impacts—real and potential—in the local communities	06. People and Community > Our community 07. Environment	-	-	-	-



Methodology notes

Purview

The indicators reported throughout the Finançor Group's Sustainability Report contemplate the following companies into their purview:

- Agraçor - Suínos dos Açores S.A. (known as Agraçor)
- Altiprado - Empresa Agro-Pecuária da Achada das Furnas, S.A. (known as Altiprado)
- Aquazor, S.A. - Aquicultura e Biotecnologias Marinhas dos Açores, S.A. (known as Aquazor)
- Avigex - Sociedade de Empreendimento Avícolas e de Frio, Lda. (known as Avigex)
- Azoris Hotéis, S.A. (known as Azoris)
- Finançor Agro-Alimentar, S.A. (known as Finançor Agro-Alimentar)
- Finançor Cash & Carry, Lda. (known as Finançor Cash & Carry)
- Finançor Distribuição Alimentar, Lda. (known as Finançor Distribuição Alimentar)
- Finançor SGPS, S.A.;
- Granpon - Granja Avícola de Ponta Delgada, Lda. (known as Granpon)
- Moaçor - Sociedades Reunidas de Moinhos dos Açores, S.A. (known as Moaçor)
- Nako Açores, S.A. (known as Nako)
- Noviçor - Novilhos dos Açores, S.A. (known as Noviçor)
- Pondel - Avícola de Ponta Delgada, Lda. (known as Pondel)
- Provipor - Produção de Alimentos para Animais, Lda. (known as Provipor)
- Salsiçor - Salsicharia dos Açores, S.A. (known as Salsiçor)
- Salsiçor Terceira, S.A. (known as Salsiçor Terceira)

There will be due notification whenever one of the previous companies is excluded from contemplation throughout the report.

302 – 1. Energy

The following conversion factors were used for the calculation of values associated with energy consumption:

Conversion factors		Units	Sources
Electricity	0,0036	kWh -> GJ	International Energy Agency
Diesel - PCI	42,6	MJ/kg	DGEG (https://www.dgeg.gov.pt/pt/estatistica/energia/balancos-energeticos/balancos-energeticos-nacionais/)
Diesel - Density	0,84	t/m ³	DGEG (https://www.dgeg.gov.pt/media/wu2j0pqb/densidades- 2018.xls)
Gasoline - PCI	44	MJ/kg	DGEG (https://www.dgeg.gov.pt/pt/estatistica/energia/balancos-energeticos/balancos-energeticos-nacionais/)
Gasoline - Density	0,84	t/m ³	DGEG (https://www.dgeg.gov.pt/media/wu2j0pqb/densidades-2018.xls)
Butane Gas	46	MJ/Nm ³	DGEG (https://www.dgeg.gov.pt/pt/estatistica/energia/balancos-energeticos/balancos-energeticos-nacionais/)
Pellets	18,841	MJ/kg	DGEG (https://www.dgeg.gov.pt/pt/estatistica/energia/balancos-energeticos/balancos-energeticos-nacionais/)
Biogas	22,033	MJ/kg	DGEG (https://www.dgeg.gov.pt/pt/estatistica/energia/balancos-energeticos/balancos-energeticos-nacionais/)
Fuel oil	40	MJ/kg	DGEG (https://www.dgeg.gov.pt/pt/estatistica/energia/balancos-energeticos/balancos-energeticos-nacionais/)

303- Water

The data pertaining to water—especially its collection and effluents—do not include all companies. This is due to the fact that mechanisms of trustworthy information collection are not yet implemented.

305- 3. Emissions

The CO₂ emission values related to energy consumption that were reported in the Sustainability Report were determined using the energy consumption values reported in the GRI 302-1—as well as the following conversion and emission factors:

Emission Factors (EF) - Scope 1	2021	2022	Units	Sources
	63,1	63,1	kg CO ₂ /GJ	
GPL - Butane (EF)	0,001	0,001	kg CH ₄ /GJ	
	0,001	0,001	kg N ₂ O/GJ	
Diesel (EF)	74,1	74,1	kg CO ₂ /GJ	APA (2021) Portuguese National Inventory Report
	0,0007	0,0007	kg CH ₄ /GJ	
	0,0004	0,0004	kg N ₂ O/GJ	
Gasoline (EF)	69,3	69,3	kg CO ₂ /GJ	
	0,01	0,01	kg CH ₄ /GJ	
	0,0006	0,0006	kg N ₂ O/GJ	
Fuel oil (EF)	77,4	77,4	kg CO ₂ /GJ	
	0,01	0,01	kg CH ₄ /GJ	
	0,0006	0,0006	kg N ₂ O/GJ	
Pellets (EF)	112	112	kg CO ₂ /GJ	APA (2021) Portuguese National Inventory Report
	0,011	0,011	kg CH ₄ /GJ	
	0,007	0,007	kg N ₂ O/GJ	
Biogas (EF)	54,6	54,6	kg CO ₂ /GJ	
	0,001	0,001	kg CH ₄ /GJ	
	0,0001	0,0001	kg N ₂ O/GJ	

Oxidation Fatores (OF)	2021	2022	Units	Sources
Butane Gas (OF)	1	1	-	
Diesel (OF)	1	1	-	
Gasoline (OF)	1	1	-	APA (2021) Portuguese National Inventory Report
Fuel oil (OF)	1	1	-	
Pellets (OF)	1	1	-	
Biogas (OF)	1	1	-	
PAG CO ₂ (100 years GWP)	1	1	-	
PAG CH ₄ (100 years GWP)	1	1	-	GWP= global warming potential, Intergovernmental Panel on Climate Change (AR4 - IPCC, 2007)
PAG N ₂ O (100 years GWP)	1	1	-	

Emission Factors (EF) - Scope 2	2021	2022	Units	Sources
Market-based—Finançor Group's energy provider by island			gCO ₂ /kWh	EDA
S. Maria	601,35	624,00	gCO ₂ /kWh	
S. Miguel	464,49	444,41	gCO ₂ /kWh	
Terceira	526,38	549,33	gCO ₂ /kWh	
Faial	619,91	644,75	gCO ₂ /kWh	
Pico	613,36	637,52	gCO ₂ /kWh	
S. Jorge	596,81	623,56	gCO ₂ /kWh	
Graciosa	272,26	306,57	gCO ₂ /kWh	
Flores	320,08	385,38	gCO ₂ /kWh	
Corvo	743,97	736,33	gCO ₂ /kWh	
Location-based	134	137	gCO ₂ /kWh	2021 e 2022: APREN

403-9 4. Work related accidents

Using the calculation methodology bellow, we reported the following indexes: deaths resulting from work related accidents; work related accidents with grave consequences (excluding deaths); and, work related accidents:

- Deaths resulting from work related accidents = (Number of deaths resulting from work related accidents/Number of hours worked) x 1 000 000;
- Work related accidents with grave consequences (excluding deaths) = (Number of work related accidents with grave consequences (excluding deaths)/Number of hours worked) x 1 000 000;
- Work related accidents = (Number of work related accidents/Number of hours worked) x 1 000 000.

List of acronyms

APCSM	— Associação Paralisia Cerebral de São Miguel
APQ	— Associação Portuguesa para a Qualidade
CA	— Conselho de Administração
CCEC	— Código de Conduta e Ética Corporativa do Grupo Finançor
CE	— Comissão Europeia
DRQPE	— Direção Regional de Qualificação Profissional e Emprego
EDA	— Eletricidade dos Açores
ESG	— Environmental, Social and Governance
FAO	— Organização das Nações Unidas para a Agricultura e a Alimentação
FSC	— Forest Stewardship Council
GEE	— Gases de Efeito Estufa
GFEE	— Gases Fluorados com efeito de estufa
GRI	— Global Reporting Initiative
HACCP	— Hazard Analysis and Critical Control Point
IUCN	— União Internacional para a Conservação da Natureza
KPI	— Key Performance Indicator
MUSAMI	— Operações Municipais do Ambiente EIM
ODS	— Objetivos de Desenvolvimento Sustentável
PAF	— Plano Anual de Formação
PIPGR	— Plano Interno de Prevenção e Gestão de Resíduos
Pren	— Plano de Racionalização de Energia
RAA	— Região Autónoma dos Açores
REEE	— Resíduos de Equipamentos Elétricos e Eletrónicas
RSPO	— Certificação Roundtable on Sustainable Palmoil
SADI	— Sistema Automático de Detecção de Incêndios.
SGAQ	— Sistema de Gestão de Ambiente e Qualidade
SGSI	— Sistema de Gestão da Segurança da Informação
UE	— União Europeia
UNESCO	— Organização das Nações Unidas para a Educação, a Ciência e a Cultura
URE	— Utilização Racional de Energia
VEDG	— Valor económico direto gerado
YOY	— Year over Year

Datasheet

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