



IMPACT
Developing Sustainable Communities
Since 1991

Three decades of business ethics and responsibility

Sustainability
Report 2022

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ABOUT THE REPORT

In our continuous endeavors to build sustainable buildings, with particular care for the environment and the well-being of our communities, we are now issuing the second voluntary Sustainability Report, to summarize for all our stakeholders our efforts in this respect.

Throughout the report, terms such as " (the) company", "(the) organization", Impact, or Impact S.A. refer to Impact Developer & Contractor S.A.

The report was developed following the GRI Standards (Global Reporting Initiative)[↗], the most renowned international sustainability reporting framework (GRI Referenced). At the same time, the report meets the national legal requirements set out in the Order of the Public Finance Minister No. 1,938/2016[↗] and the Order of the Public Finance Minister No. 3,456/2018[↗] on non-financial reporting.

The report provides information on the activity of the companies that are part of the Impact Group, namely: IMPACT Developer & Contractor SA, Bergamot Developments SRL and Bergamot Developments Phase II SRL, Greenfield Copou Residence SRL, Greenfield Copou Residence Phase II SRL, Greenwise Development SRL, Spatzioo Management SRL, Impact Finance & Developments SRL, Greenfield Property Management SRL and Clearline Development and Management SRL.

Suggestions and recommendations

Please send your questions or suggestions on the content of this report to:

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↗ www.globalreporting.org/standards

↗ static.anaf.ro/static/10/Anaf/legislatie/OMFP_1938_2016.pdf

↗ static.anaf.ro/static/10/Anaf/legislatie/OMFP_3456_2018.pdf



1 Our company

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The year 2022



IMPACT's presence on the market for more than 30 years represents:

- »»» nationwide expansion
- »»» 17 residential complexes
- »»» >4,500 homes built
- »»» >12,000 residents
- »»» >500,000 m² built area
- »»» >€650 million the value of projects

Our team

78 employees

of which

56% women

40%

of Board members are women

33.33%

of Executive Management are women

zero

work-related accidents among employees

>2.3 mil. shares

were distributed free of charge to employees and management as part of the Stock Option Plan

Community impact

>90%

of the company's supplier expenditure was directed to local suppliers

3,410 people

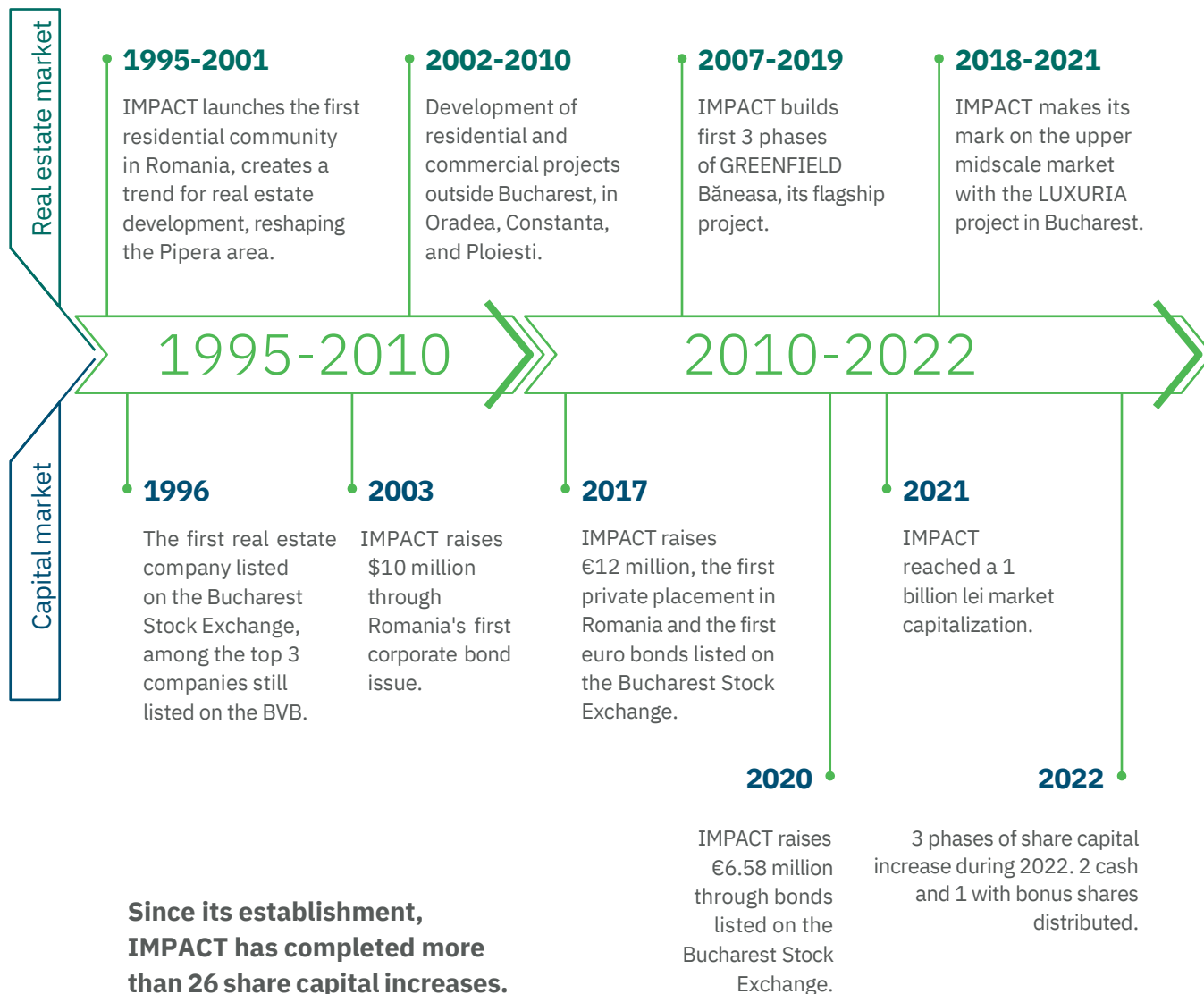
involved in the Sports Festival, organized in Bucharest and Iasi

About the company

Brief history

IMPACT: 30+ years of development

Since its set-up, IMPACT has completed over 17 real estate projects



IMPACT Developer & Contractor, the developer with over 30 years of activity on the Romanian market, has distinguished itself throughout the history as the most innovative real estate company, the promoter of the residential complex concept and the first real estate company listed on the Bucharest Stock Exchange more than 26 years ago.

Through the projects built, IMPACT has created unique living perspectives. GREENFIELD Băneasa is the largest IMPACT project to date, built in a spectacular natural setting provided by the more than 900 hectares of forest that surrounds it, while LUXURIA Residence is the project that sets new standards in terms of the sustainability of the compounds developed by IMPACT, being the first residential compound in the country certified BREEAM Excellent.

Our mission is to positively impact people's lives by developing communities with a focus on sustainability, efficiency, and well-being. We generate added value for all our stakeholders through sound investments.

The core ethical values that we uphold in every business relationship, and that we expect all our employees to adhere to, are set out in IMPACT's Corporate Strategy Section, within company's website.

IMPACT group growth strategy is based on three pillars: sustainability, geographical expansion & portfolio diversification, innovation & vertical integration.

2022 was an extremely dynamic year with many challenges. We adapted and demonstrated resilience and performance. We followed the development strategy, adding a new angle, of vertical integration, which would allow real estate development at a more alert, more efficient pace. In 2022, we acquired the majority of shares in the construction firm RCTI Company, and we also established our own architecture and design company - Impact Alliance Architecture (IAA). Through this measures, we aim to find those last-generation technical solutions compatible with IMPACT's vision, so that the group's projects become benchmarks for sustainable developments.

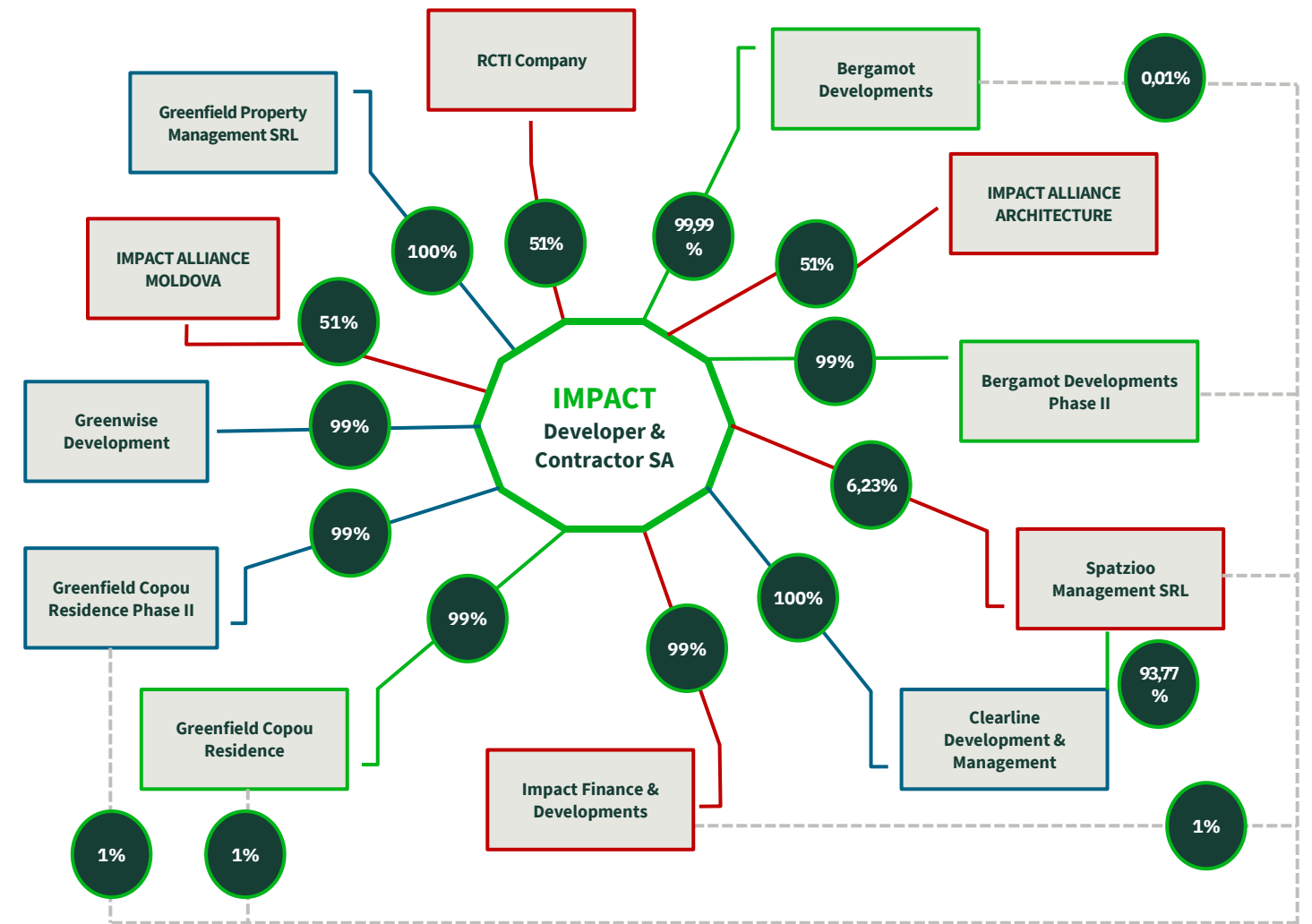
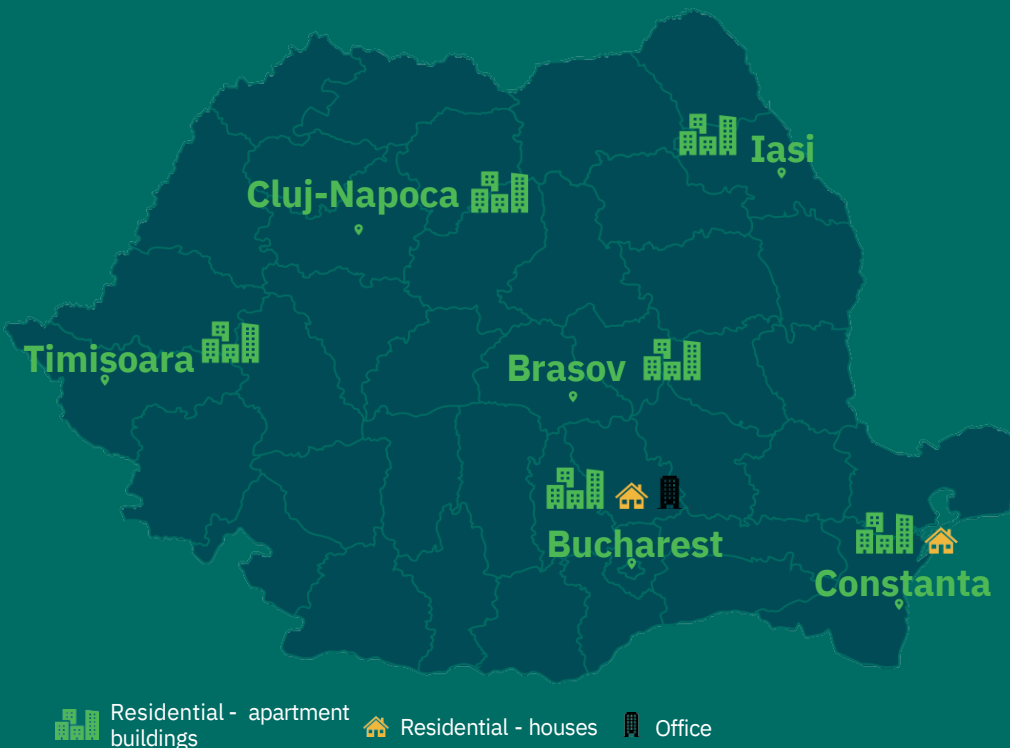
PROJECTS UNDER DEVELOPMENT ON OWNED

Construction in progress

- GREENFIELD BANEASA RESIDENCE in Bucharest
- BOREAL PLUS in Constanta

Construction expected to start in 2023-2024

- GREENFIELD COPOU RESIDENCE in Iasi
- ARIA VERDI in Bucharest
- BOREAL PLUS Phase 2& Phase 3 in Bucharest



IMPACT Developer&Contractor SA, the parent company, developing the Greenfield Băneasa Residence, Boreal PlusAria Verdi and Greenfield West projects.

Bergamot Developments SRL and Bergamot Developments Phase II SRL with real estate development as main object of activity; they have developed the LUXURIA Residence project.

Greenwise Development SRL's main activity is real estate development and it was established in February 2021. No activity in 2022.

Greenfield Copou Residence SRL's main activity is real estate development, it was founded in December 2019 and is developing the Greenfield Copou Residence project.

Greenfield Copou Residence Phase II SRL's main activity is real estate development and it was established in February 2021.

IMPACT ALLINACE ARCHITECTURE company set up in 2022, for architecture and design services.

Spatzioo Management SRL, the company that provides management services for new residential, retail and commercial developments.

Impact Finance & Developments SRL has a role in diversifying the range of services related to residential sales. Impact Finance & Developments collaborates with financial institutions in Romania to offer advantageous loan solutions for clients purchasing homes.

RCTI Company SRL, 51.01% owned subsidiary, real estate construction company involved in the construction IMPACT projects in particular GREENFIELD BĂNEASA RESIDENCE. The company joined IMPACT

Greenfield Property Management SRL operates in real estate development and was established in May 2021.

Clearline Development and Management SRL, a project company through which Impact was to develop a residential project in Cluj- Napoca, in partnership with the local authority.

Impact Alliance Arhitecture SRL, 51% owned subsidiary that has as core activity providing arhitecture and construction design services. The company was set up in 2022.

Economic performance

Revenues and gross profit recorded in 2022 reflect the current stage of IMPACT's activity, namely a new development cycle translating into low completed inventory for which sales and related revenues can be recorded, especially for GREENFIELD BĂNEASA (the product addressed to the middle segment of the residential market) that was the driver for IMPACT's revenues in previous periods. During 2022 IMPACT, , completed a total of 97 units within Greenfield Băneasa and 209 units in Boreal Plus

	Consolidated		
RON thousand	12M 2022	12M 2021	Var %
Revenues	219,199	137,585	59%
Gross profit	70,691	49,846	42%
<i>Gross margin %</i>	32%	36%	(11%)
Other (expenses)/revenue net	38,379	48,902	(22%)
<i>Other (expenses)/revenue as % of revenue from real estate</i>	(18%)	(36%)	(51%)
EBITDA	111,393	99,907	11%
<i>EBITDA margin %</i>	51%	73%	(30%)
EBIT	109,070	98,748	10%
<i>EBIT margin %</i>	50%	72%	(31%)
Net result	84,767	78,800	8%
<i>Net result margin %</i>	39%	57%	(32%)

Governance and business ethics

We believe that good corporate governance enhances the trust that our shareholders, business partners, employees, financial markets and all other stakeholders have in our company.

Our corporate culture is characterized by responsibility, professionalism, mutual respect, and trust. Legal conduct, fair competition, and respect for human rights are integral to our business development activities and are important prerequisites for ensuring the company's long-term success.

At IMPACT, Corporate Governance stands for:

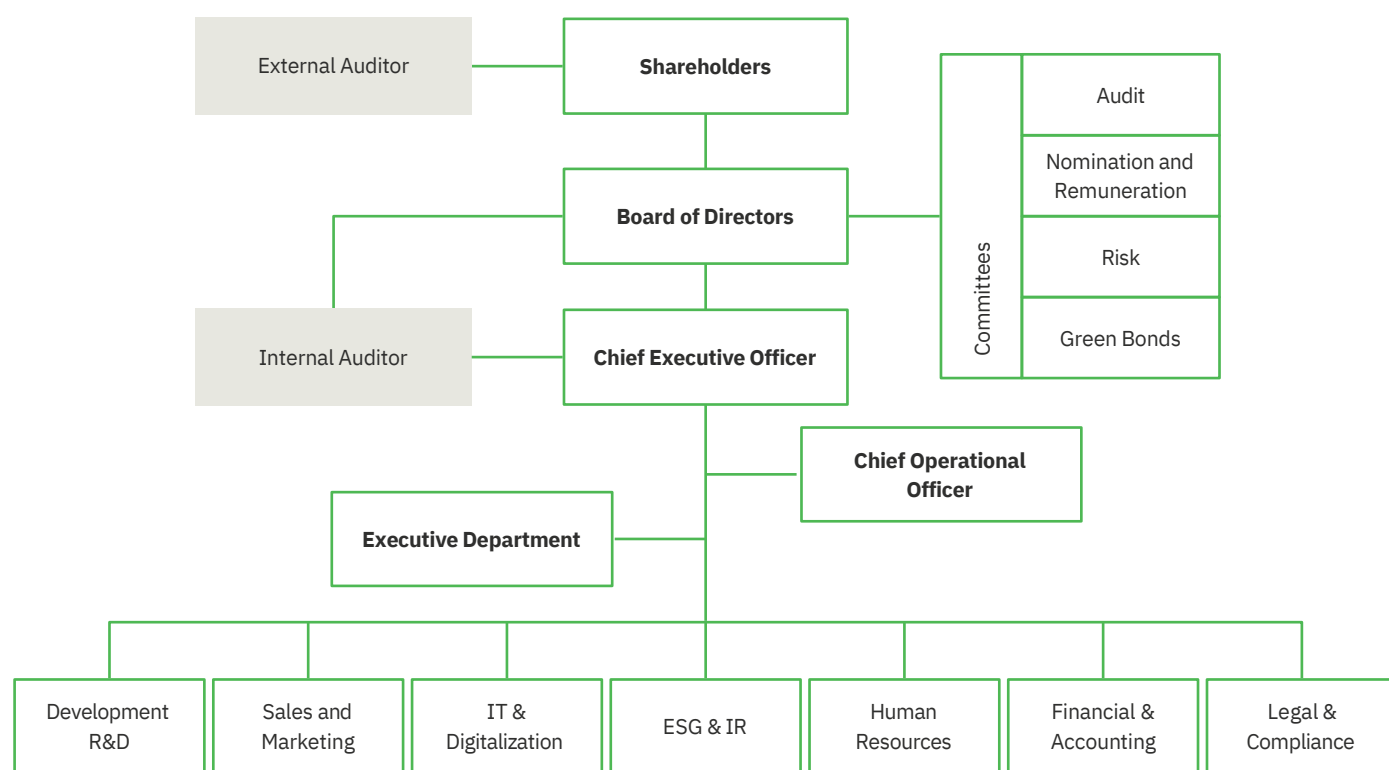
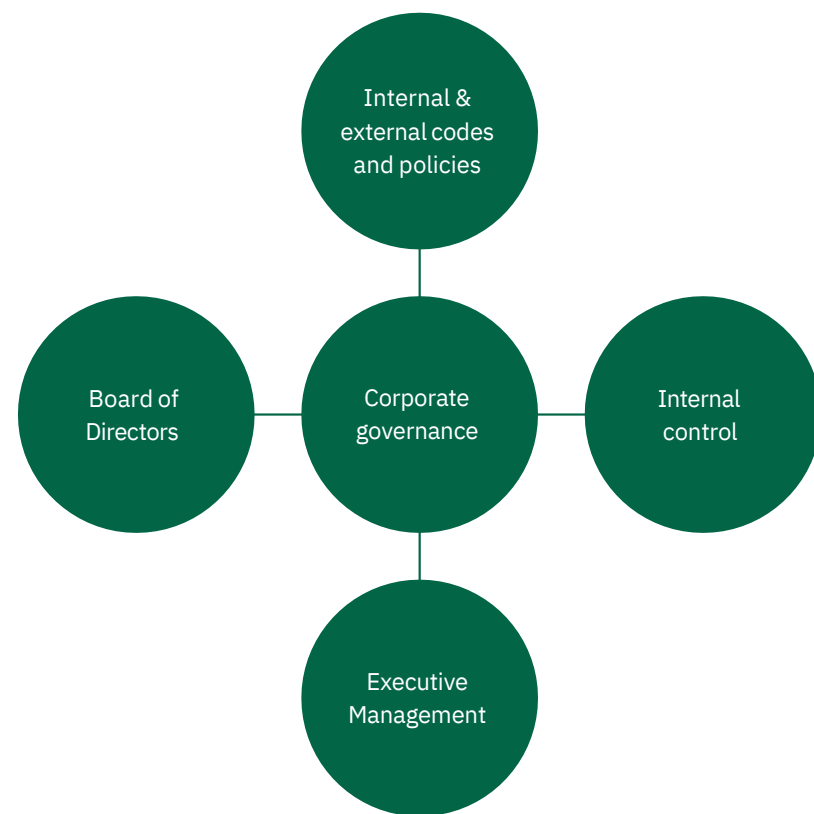
- > responsible, value-based management and monitoring focused on long-term success;
- > efficient cooperation between our Executive Management and Board of Directors;
- > protection of the interests of all our stakeholders, employees, and shareholders;
- > full transparency in all of our corporate communication;
- > sound ethics, appropriate risk management and law compliance.

IMPACT's corporate governance framework complies with the Corporate Governance Code of the Bucharest Stock Exchange. Corporate governance information is reported regularly through the corporate governance statement in the annual report and continuously updated through current reports and our website.

The corporate governance framework is underpinned by the following internal documents:

- > Anti-corruption Code
- > Code of Conduct
- > Policy for Occupational Health and Safety, Rights, and Environment
- > Whistleblower Policy

The documents can be consulted in detail [here](#)².



Corporate structure 2022

General Shareholders' Meeting (GSM)

The General Shareholders' Meeting is the governing and decision-making body of the company, which decides on the conduct of the company's operations. General Shareholders' Meetings are ordinary and extraordinary. The Ordinary General Shareholders' Meeting is held at least once a year, no later than 4 months after the end of the financial year.

The Ordinary General Shareholders' Meeting (OGSM) can decide on any matters relating to the company's business, except those which are by law within the competence of the Extraordinary General Shareholders' Meeting.

The competencies of the OGSM are mainly the following:

- > approval of the strategic objectives of the company
- > discussion, approval, or, if the case may be, modification of the annual financial situations of the Company, based on the reports presented by the Board of Directors and by the financial auditor and to set the dividend
- > discussion, approval, or, if the case may be, request for the administration plan to be supplemented or revised, with the observance of the law
- > establishing the revenue and expense budget, for the next financial year
- > election and revocation of the members of the Board of Directors and the establishment of the remuneration they are entitled to
- > deciding upon the administrative actions taken by the Board of Directors
- > appointment and removing of the financial auditor and setting the minimal time duration of the financial audit contract
- > approval of the pledge, lease, or dissolution of one or more units of the company

The Extraordinary General Shareholders Meeting Shareholders (EGSM) is held whenever necessary to decide upon the following:

- > changing the legal form of the company
- > moving the headquarters of the company
- > changing the object of activity of the company
- > increasing the share capital of the company
- > decreasing the share capital of the company or replenishing it by issuing new shares
- > merger with other companies or spin-off of the company
- > the anticipated dissolution of the company
- > the conversion of shares from one category into another category
- > the conversion of a category of bonds into another category of bonds or in shares
- > issuance of bonds
- > conclusion of acquisition deeds, having as object non-current assets, whose value exceeds, individually or cumulatively, during the period of a financial year, 20% of the total fixed assets of the company, except the receivables

- > conclusion of sale, exchange, or guarantees establishment deeds, having as object non-current assets, whose value exceeds, individually or cumulatively, during the time of a financial year, 20% of the total value of all non-current assets of the company, except the receivables
- > conclusion of lease agreements for a period of more than 1 year, having as object corporal assets whose value, individually or cumulatively, towards the same contracting party or involved persons or who acts

in a concerted manner, exceeds 20% of the total value of the fixed assets of the company, except receivables, at the time of the conclusion of that agreement, as well as joint ventures concluded for a period of more than one year, exceeding the same threshold as set forth above

- > any other amendment to the Articles of Association or any other resolution for which the approval of the Extraordinary General Shareholders' Meeting is required

According to the consolidated financial statements as of and for the year ended on December 31, 2022, the ownership structure as at December 31, 2022, and December 31, 2021, respectively, was as follows:

Shareholder Structure	December 31, 2022	December 31, 2021
Gheorghe Iaciu	57.76%	59.97%
Andrici Adrian	12.75%	15.98%
Legal entities	19.71%	12.45%
Other shareholders	9.82%	11.60%
Total	100%	100%

Moreover, in accordance with the legislative regulations in force, the shareholding structure with the most recent changes is available on the dedicated IMPACT page of the Bucharest Stock Exchange website, [here](#)², according to the information provided to the Company by the Central Depository.

Board of Directors

The company is managed under a unitary administrative system by a board of five directors. The Board is the decision-making body on all matters of significance to the company as a whole due to their strategic, financial, or reputational implications. The Board of Directors delegates the powers of management of the company under the conditions and within the limits laid down by law and the Articles of Association.

More details on the responsibilities of the Board of Directors can be found in the Rules of the Board of Directors, available on the company's website in the Investors section or [here](#)².

Structure of the Board of Directors as at December 31, 2022

Name Position	Term of mandate	Nationality	Age
Iuliana Mihaela Urdă President of the Board of Directors	4 years	Romanian	>50
Intreprid Gem, represented by Petru Văduva Independent, Non-Executive Director	4 years	Romanian	>50
Daniel Pandeale Independent, Non-Executive Director	4 years	Romanian	>50
Ruxandra-Alina Scarlat Non-Executive Director	4 years	Romanian	30-50
Sorin Apostol Executive Administrator - Executive Director	4 years	Romanian	30-50

40%

of Board members are women

100%

of the members of the Board of Directors are Romanian nationals

The Board of Directors oversees 3 committees, namely:

- > Nomination and Remuneration Committee
- > Audit Committee
- > Risk Committee

The members of these committees are part of the Board of Directors.

The Nomination and Remuneration Committee is a body subordinate to the Board

of Directors constituted to issue qualified and independent opinions on nomination and remuneration policies and practices, to perform the attributions assigned by the Board of Directors in this sector of activity. The Committee analyzes and ensures that the general principles and nomination and remuneration policies are in line with the company's long-term strategy, objectives, values, and interests.

Chairman of the Committee: Intreprid Gem, independent, Non-Executive Director
Member: Iuliana Mihaela Urdă, Chairman of the BoD

Member: Daniel Pandele, independent, Non-Executive Director

Member: Sorin Apostol

The Audit Committee has an advisory role being set up to assist the Board of Directors

in carrying out its duties related to financial reporting, external audit, and internal control.

Chairman of the Committee: Intreprid Gem, independent, Non-Executive Director

Member: Pandele Daniel, independent, Non-Executive Director

Member: Sorin Apostol

The Risk Committee has an advisory role being set up to assist the Board of Directors in carrying out its duties related to risk management policies and practices, capital adequacy to risks, and risk appetite of the company.

Chairman of the Committee: Iuliana Mihaela Urdă, Chairman of the BoD

Member: Intreprid Gem, independent, Non-Executive Director

Member: Ruxandra Alina Scarlat, independent, Non-Executive Director

Member: Pandele Daniel, independent, Non-Executive Director

Member: Sorin Apostol

Competencies of the members of the Board of Directors

→ **Iuliana Mihaela Urdă**

With 27+ years of experience in management, asset/facility management, and reporting in real estate and retail, Iuliana Mihaela Urdă is President of the Board of Directors since April 2013, appointed until 2025, member of the Nomination and Remuneration Committee, Chairman of the Risk Committee.

→ **Petru Văduva**

Member of the Board of Directors since April 2019, appointed until 2025. President of the Nomination and Remuneration Committee, President of the Audit Committee, and member of the Risk Committee.

Petru Văduva has over 20 years of strategic experience in the Eastern European and Central Asian energy sector with proven market and financing experience in the sector, such as the Rosneft IPO and the winning of the largest development grant in the sector in Europe. During this time, he gained extensive experience in negotiating and financing large-scale projects with international banks and multinational financing institutions such as EIB, EBRD, and IFC.

→ **Daniel Pandele**

Member of the Board of Directors since April 2017, appointed until 2025. Member of the Audit Committee, member of the Risk Committee, member of the Nomination and Remuneration Committee. With over 29 years of experience in management, he has strong skills in business, being a founder member of Expo Cupa SRL, Cupa International SRL, Danielis Star Company, and Doraly Mall. He was vice-president of the Board of Shareholders Representatives of SIF Muntenia, being an active investor who made shares transactions on the stock exchange. He graduated from Ovidius University in Constanța, The Faculty of Industrial and Maritime Mechanical Engineering, as a diplomat engineer in the field of industrial engineering.

→ **Ruxandra-Alina Scarlat**

Member of the Board of Directors since April 2017, appointed until 2025. Member of the Risk Committee. Lawyer, member of The Bucharest Bar and The Romania National Association of Lawyers, with 17+ years of experience in litigation and arbitration, real estate, insurance, banking and financial services, M&A, corporate affairs and labor law.

→ **Sorin Apostol**

Member of the Board of Directors since April 2021, appointed until 2025. Member of the Audit Committee, member of Risk Committee, member of the Nomination and Remuneration Committee, and since April 2021 Executive Director. Sorin Apostol has remarkable financial experience. His knowledge in the financial and capital market field and experience as a businessman are great assets for the IMPACT Group.

Executive Management

The Board of Directors will totally or partially delegate the management competencies of the Company to one or more of its managers,

appointing one of them as a General Manager. The fields in which the managers are appointed, the working method, and their attributions are decided and controlled by the Board of Directors. The managers are liable concerning the measures taken for the management of the Company, within the limits of the object of activity and with the observance of the exclusive competences of the Board of Directors and of the General Meeting of the Shareholders, as provided by the law or by the Articles of Incorporation.

The recruitment process for members of the executive management includes consultation with the Board of Directors.

33.33%

of Executive Management members are women

88.9%

of the members of the Executive Management are Romanian nationals

Details of the Executive Management's competencies can be found for each member by visiting the dedicated page on the company's website [here](#)[†].

Structure of the Executive Management as at 31 December 2022

Name Position	Nationality	Age
Constantin Sebesanu Chief Executive Officer	Romanian	>50
Claudiu Bistriceanu Chief Financial Officer	Romanian	30-50
Sorin Apostol Executive Director	Romanian	30-50
Cristovao Rocha Development Director	Romanian	30-50
Ovidiu Grinici Sales Director	Romanian	30-50
Gina Patrinoiu Head of Legal	Romanian	30-50
Loredana Roșu Head Of Marketing	Romanian	30-50
Dacian Micu HR manager	Romanian	30-50
Teodora Dănilă Head of ESG & Investor Relations	Romanian	30-50

Code of Conduct

Impact's Code of Conduct describes the principles and expectations that the company requires and has of management, employees,

contractors, and third parties under contract with the company.

Any breach of the principles set out in the Code may lead to disciplinary action as set out in the employment or commercial contract, including termination.

• • •

In 2022 there were no violations of the principles set out in the Code of Conduct.

Detailed information on the principles set out in the Code can be found [here](#)[†].

• • •

In 2022, IMPACT recorded no:

- > significant fines for non-compliance with laws and regulations occurring during the current reporting period;
- > significant fines for non-compliance with laws and regulations occurring in previous reporting periods.

significant fines = fines of more than €10,000

Anti-corruption policy

Our anti-corruption principles are set out in [IMPACT's Anti-Corruption Code^r](#), which is publicly available on the company's website.

IMPACT will not tolerate corruption in any form in public or private sectors in any jurisdiction, even in places where such activity is admissible in practice, tolerated, or not challenged in the courts. We operate on the belief that ethical and responsible management and behavior are fundamental prerequisites for the company's success.

All employees and collaborators are required to strictly observe the principles set out in the Anti-Corruption Code. Any violation of these principles may lead to disciplinary measures as set out in the employment or commercial contract, including judicial termination.

All provisions of the anti-corruption code are communicated to employees and collaborators when contracts are signed.

• • •

In 2022, at IMPACT, there were no:

- > confirmed incidents of corruption
- > incidents of corruption involving company employees leading to their dismissal or disciplinary action
- > incidents of corruption leading to the termination or interruption of cooperation with business partners due to corruption
- > court actions/public lawsuits brought against the company or its employees involving acts of corruption
- > legal actions pending or concluded during the reporting period, relating to anti-competitive behavior and/or antitrust and monopoly violations, in which the organization is identified as a participant

• • •

At the same time, in 2022, the company did not sponsor or support political parties or candidates.

Conflict of interest

Conflict of interest refers to those situations or circumstances that may arise in the decision-making or operational processes in which the direct or indirect personal interest of the Company's Directors/employees/personnel conflicts with the interest of the Company in a way that affects or could affect the independence and impartiality of decision-making, professional judgment or the timely and objective performance of their duties or which by its nature could affect the integrity or stability of the Company and the financial market or which makes or could make it difficult to take objective action in the interests of the Company and/or its shareholders and the performance of their role and duties within Impact.

How conflicts of interest are managed within IMPACT SA is set out in the [Policy on the Management of Conflict of Interest and Related Parties Transactions](#), which is publicly available on the company's website.

This Policy aims to:

- > create conditions for the identification, monitoring, administration, control, and avoidance of conflicts of interest, as well as for the protection of the interests of the Company, shareholders/staff of Impact, and/or customers of the Company, and the prevention of prejudice to their interests, if such conflict should occur;
- > take all necessary and possible measures to ensure that situations of conflict of interest between the Company, including directors, employees, and agents or any person directly or indirectly in a position of control over the Company, and the Company's customers, between two customers of the Company, as well as between combinations of the above situations, are identified and then prevented and managed so that the interests of the customers are not affected;

- > ensure the observance of the obligation of loyalty that the Directors of the Company have towards Impact by avoiding conflicts of interest;
- > ensure that when the Director/employees/staff of the Company are/are called upon to resolve requests, make decisions, or participate in decision-making regarding the Company, or to carry out a transaction, in relation to which the latter or the spouse or his/her relatives and relatives up to the second degree including has/have or may have a patrimonial interest will refrain from resolving the application, making the decision, participating in making a decision or performing the transaction;
- > ensure compliance with the legislation in the field of conflicts of interest, anti-corruption, and professional ethics by the relevant staff of the Company, including its Directors and to avoid conflicts between their interests and those of the Company or its customers;
- > avoid access to unfair benefits deriving from the information regarding the activity carried out by the Company;
- > establish appropriate mechanisms and systems for managing conflicts of interest;
- > maintain the operation of the systems specified in point (vii) above to prevent the prejudice of the interests of Impact and/or of the Company's customers through the identified conflicts of interest.

• • •

In 2022, no conflicts of interest were reported.

Personal data protection

How we manage and process personal data is described in our Data Protection Policy, available [here](#)^r. The Data Protection Officer (DPO) role is outsourced to a third party that has all the necessary skills for this purpose.

• • •

In 2022, at IMPACT level, there were no:

- > substantiated complaints received from supervisory bodies about breaches of customer data security and privacy legislation
- > substantiated complaints received from other third parties about breaches of customer data security and privacy legislation

Risk management

Risk management within IMPACT is described in detail in the Risk Management and Internal Control Policy available [here](#)^r.

The aims of this Policy are:

- > to increase the efficiency of the risk management system and internal control;
- > to establish the principles and modalities of approaching the risk management system and internal control at Impact;
- > to ensure the independent and regular assessment of the level of efficiency and safety of the risk management and internal control system, as well as compliance with corporate governance practices;
- > to ensure the organization of the internal audit in accordance with the law and the audit of the financial statements of the Impact by a financial auditor;
- > to ensure compliance with the legislation applicable to the preparation of the Company's financial and non-financial statements;
- > to ensure the accuracy of the information contained in the register of deliberations and findings made by the internal auditors of Impact;
- > to ensure the integrity of financial reporting and the internal control system, including the internal and external audit procedures implemented by Impact;
- > to ensure the adequacy of the processes of identification, evaluation, monitoring, management, and reporting of risks, the reliability of financial and non-financial information reported internally and externally;

- > efficient operation of the internal control system;
- > conflict of interest management;
- > management and use of inside information;
- > to ensure the objective conduct of transactions with related parties, based on their own merits in a manner that ensures the independence and protection of the Company's interests, by complying with all requirements and impediments provided by applicable law, as well as an adequate level of transparency towards shareholders Company and potential investors.

The risk management system ensures that control activities are aligned with the risks arising from the activities and processes being controlled. The Board of Directors of the Company must establish the principles and modalities of approaching the risk management system. The Board of Directors of the Company is responsible for monitoring all risks related to the financial and operational performance of the Company. Thus, the Company's Board of Directors will ensure that the Company establishes and implements an effective framework for identifying, assessing, monitoring, managing, and reporting risks.

The executive management of the Company must:

- > identify the key risks, to evaluate and monitor these risks according to the potential impact and according to the probability of their materialization, meaning that it will draw up a risk register that will be updated periodically;
- > establish the organizational structures/ departments within Impact that are responsible for risk management at the level of the Company;
- > establish key risk indicators for monitoring the Company's performance in relation to the types of risk that may be incidental at the Company level (for example, the categories of operational risk/human resources risk/legal risk);
- > periodically inform the Board of Directors of the Company, upon request or on its initiative, about the status of significant risks, including the actions of the Company to manage these risks/minimize the impact of significant risks on the Company

A description of the risks identified and their management can be found in the 2022 Annual Report, available [here](#)^r on page 37.

Reporting channels

We strongly encourage the reporting of any incident or violation of the principles outlined in IMPACT's internal Codes, Policies, Rules, and Procedures. To this end, Impact's Whistleblower Policy describes how reports received from employees and third parties are managed, as well as the channels through which such reports may be submitted. The

policy is publicly available on the company's website and can be found [here](#)².

A *report* may be made regarding directors, managers, employees, and auditors of IMPACT and, in general, anyone who works for or on behalf of IMPACT inside and outside Romania or has business relations with IMPACT, including independent audit companies, customers, suppliers, consultants, contractors, and public institutions.

A *report* may be made anonymously. However, IMPACT recommends that reports be submitted with the name of the whistleblower to support an adequate investigation and to protect the whistleblower against retaliation.

No one may be fired, suspended, or discriminated against in any way as a consequence of having submitted a *report* in good faith concerning a violation of IMPACT Regulations.

IMPACT will not tolerate threats or reprisals of any kind against a whistleblower or persons who collaborated with the investigations to establish the veracity of a *report*.

The mechanisms for stakeholders to submit reports, complaints, or grievances are:

- > customers – customer care mechanism or through sales representatives
- > employees – specific addresses set out in internal rules
- > suppliers/contractors – contact person within the company
- > shareholders – dedicated contact address
- > investors/ analysts – dedicated contact address
- > local community – via the project-specific website or social media pages

In addition, all stakeholder categories can submit complaints, grievances, claims, or any kind of feedback via the contact form on the company's website: www.impactsa.ro/contact.

Shareholders can also send or ask questions directly during the half-yearly conference calls, and the information discussed during these meetings is available on the company's website.

1.5

Awards and affiliations

Beyond the ethical and responsible way in which we aim to conduct our business, we strive to contribute to improving the living standards of our clients and the communities in which we operate, and the recognition we have received over the years is further validation that we have professionally achieved our goals.

The main awards that IMPACT received in 2022 were:

- **"Best in business" award** at the Piata Financiara Awards Gala
- **"The most sustainable real estate developer"** at the Financial Intelligence Awards Gala
- Constantin Sebesanu, CEO IMPACT Developer & Contractor - designated **"Personality of the year in real estate"** at the Real Estate Magazine Gala
- **"The Most Sustainable Residential Project - LUXURIA Residence"**, at the Reality Forum 2022, organized by Business Review
- **"Developer of the Year"** at the Romanian Property Awards
- **"The first real estate company listed on BVB, with over 30 years of experience and a market capitalization of over 1 billion lei"** at the Forbes Residential Buildings Gala

At the same time, we know that the sustainable development of the real estate sector is not possible without the collaboration of all the actors that comprise this ecosystem.

Thus, IMPACT is part of:

- > **ARIR** – The Romanian Investor Relations Association
ir-romania.ro/ro/arir
- > **BREC** – Bucharest Real Estate Club
brec.ro
- > **AREI** – Association of Real Estate Investor
arei.ro/about-us

See [here](#)² the full list of awards and recognitions received from 2003 to 2022.

→ <https://www.impactsa.ro/company/awards>



2

Our strategy and projects

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2.1

Our sustainability strategy

At the forefront of sustainable practices and building GREEN communities through ecological solutions, quality of construction and efficiency of consumption.

Excellent nZEB construction standards applicable to all new buildings.

Projects designed and built with BREEAM international certification.

Use of renewable energy sources, low emission energy sources, electric mobility and man powered mobility, extended green areas, parks and playgrounds, community centers and convenience services.

Reduced mobility (inside and outside the community) and impact on the environment.

FULLY COMMITTED TO BEST PRACTICES IN ESG

In 2021, IMPACT established the Environmental, Social, and Governance (ESG) Department, responsible for mapping and implementing environmental, social, and corporate governance principles and objectives in line with the company's values in its real estate development operations - integrity, transparency, innovation, and leadership, respect for the environment and sustainable building, responsibility, and motivation.

Sustainability lies in the operating policy of IMPACT Group and our flagship projects are a living proof. Taking care of the 3 P's of sustainability that have a strong impact over the business is a regular practice, since the Planet, the People and the Profit are essential assets for IMPACT.



Green Bond Framework

In 2021 we developed the Green Bond Framework under which we intend to issue green bonds and use the proceeds to finance and refinance existing and/or future projects. In doing so, we aim to improve the environmental performance of our buildings and provide green amenities to customers.

The framework defines eligibility criteria in four areas:

- > **Green buildings**
- > **Sustainable water and wastewater management**
- > **Renewable energy**
- > **Clean transportation**

SUSTAINALYTICS has assessed the IMPACT green bond framework as credible and impactful and finds that it aligns with the four key components of the Green Bond Principles. This assessment is based on the following:

- > Use of proceeds
- > Project evaluation and selection
- > Management of proceeds
- > Reporting

Sustainable buildings

We are aware that the real estate sector also has the power to contribute to the transition to a green economy, by adopting the highest sustainability standards and integrating these principles both internally and in relation to all our partners.

Our commitment to green building: 100% of new projects starting from 2023 will have BREEAM Excellent sustainability certification.



• • •

In 2022 the following projects were under construction:

- > Greenfield Baneasa Phase 4 - 1,167 units with building permit, of which 732 in advanced stages of finalization (following completion of all phases - BREEAM Excellent target),
- > Greenfield Baneasa Plaza & Office (BREEAM Excellent target) with 14,001 sqm of Gross Lettable Area (GLA), commissioned in December 2022
- > Greenfield Baneasa - Panoramic – 97 units completed in 2022.
- > Boreal Plus Constanta
 - > 641 units with building permit, out of which, 209 commissioned in Q4 2022.

Under construction - projects with construction permits

In preparation - projects with land ownership without a construction permit

BREEAM certification

BREEAM is a high ranked international system that provides certification of sustainability performance assessment for infrastructure projects, individual buildings, and communities. The BREEAM level stands for an improvement in the well-being of residents in certified buildings while helping to protect natural resources. Building efficiency means sustainability, green solutions, quality of construction, consumption efficiency, and therefore significant cost savings.

An important aspect of the BREEAM certification process is the integration of sustainability principles to:

- > have better control over costs by adopting a life-cycle cost analysis approach
- > improve internal and external standards through performance assessments
- > comply with social and environmental legislation
- > be able to manage risk and reputation
- > build a sustainable supply chain for the future

Sustainable policies

A lack of accurate information about products and services in the supply chain can make

it difficult to set clear priorities, standards, and targets. This is why a sustainable procurement system is considered throughout the certification process and is based on the analysis of the following categories of supply chain components:

- > building material manufacturers
- > building material distributors
- > avoidance of toxic or hazardous materials
- > use of low-impact materials

- > use of sustainable materials
- > volatile organic compounds (use of materials with low or zero volatile organic compound content)
- > use of paper
- > use of wood products, timber
- > transport
- > packaging
- > commercial contractors
- > waste and recycling
- > avoidance of refrigerants with a high global warming potential (GWP)

Materials

Procurement of goods, works and services has a significant impact on project performance.

The key principles of sustainable procurement focus on:

- > Use of materials from responsible and ethical sources
- > Reuse of materials and use of materials with high recycled content
- > Waste minimization and recycling
- > Avoidance of toxic or hazardous materials
- > Avoidance of refrigerants with a high global warming potential
- > Use of low embodied impact materials
- > Use of sustainable materials
- > Workforce
- > Increased accessibility for a diverse range of suppliers
- > Vehicles, fuel, and logistics
- > Communication and training

With LUXURIA Residence as a benchmark, we began planning the next developments aiming to achieve BREEAM Excellent certification:

- > Architectural design that enhances residents' well-being;
- > Green terraces and facades that provide aesthetic benefits and additional building insulation;
- > Use of strategic sustainability and integrated intelligent design solutions from the design phase onwards;
- > Use of sustainable, higher-quality materials will guide the selection of building solutions;
- > Optimization of building orientation and window and terrace design for better use of natural light.

We are committed to developing projects that will stand the test of time, so we will continue to monitor our buildings, certify new developments and recertify buildings already certified. BREEAM certification entails an ongoing process of timely review and analysis by independent chartered advisers of the level of compliance with the standard.

Geothermal energy

Geothermal energy is a clean source of energy that comes from underground and is used to heat and cool homes. It is accessible 24 hours a day and is one of the most reliable sources of energy, with an extremely low carbon footprint.

Benefiting from the unique characteristics of northern Bucharest (the high temperature at relatively shallow depths) one of the main advantages of the system is the use of geothermal energy using both deep boreholes and regular geothermal pumps. We intend to use this system for the new apartment

nZEB standard

The Nearly-Zero Energy Building (nZEB) standard is in force for all new with building permit obtained starting with January 1, 2021. An nZEB building means a building with high energy performance, i.e. a building that uses a low amount of fossil fuels and a high amount of renewable energy. IMPACT Developer & Contractor is aligned with international business standards and focuses on setting an example in the Romanian market through its sustainable practices and GREEN building.

We build with the highest sustainability standard in mind, and our certifications already prove who we are and what we do: GREEN communities everywhere we operate.

Compliance with the nZEB standard requires:

- > At least 30% of the energy used to come from a renewable source;
- > Building insulation is made with the best materials;
- > Intelligent use of energy sources;
- > Reducing the use of fossil fuels by developing intelligent technical solutions;
- > Protecting the environment and reducing consumption costs.

blocks in GREENFIELD Baneasa. To bring the water to the required temperature, each building unit will have a smaller condensing boiler.

Geothermal heat pumps extract heat from underground during winter and deliver it to homes. Underground geothermal installations bring water to 40-60°C, which can be used efficiently by the community for heating but can also be used as electricity, produced through cogeneration plants.

Solar energy

Photovoltaic panels capture sunlight and convert it into electricity. We use photovoltaic panels installed on the terraces of the apartment buildings, which will provide power for the common areas and pump consumption.

Photovoltaic systems will be used for all the next phases of development: GREENFIELD Băneasa Bucharest, GREENFIELD Copou Iasi, and BOREAL Plus Constanta, and their biggest benefits are low consumption and costs.

Certifications

Our customers benefit from quality services, guaranteed by the most competent certifications in the field: ISO 9001, ISO 14001, and ISO 45001, approved by Lloyd's Register Quality Assurance.

Our projects



Projects under development at the end of 2022:

- > **GREENFIELD Baneasa in Bucharest** (1,167 with construction permit, 732 in advanced stages of completion)
- > **BOREAL Plus in Constanta** (548 building permit in place, construction estimated to be started in 2023-2024)



Estimated to start in the following periods:

- > **GREENFIELD Copou in Iasi** (1,062 units)
- > **ARIA Verdi in Bucharest** (estimated 874 units)
- > **GREENFIELD West in Bucharest** (estimated 4,200 units)

The information presented above is estimated. Estimates are subject to change depending on future events.

Under construction - projects with building permits.

Details of our projects and how we integrate sustainability principles into project development can be found in full in our 2022 Annual Report, available [here](#)^r (pages 11 - 18) and on the [ESG section](#)^r of our website.

Material topics

We are aware that our operations have a significant impact on the components of natural capital, society, and the economy.

As we are in our early stages of issuing sustainability reports, we developed them following the principles of the most widely used international non-financial reporting standard, the GRI Standard, the material topics have been identified following an industry-wide analysis without following the steps set out in the GRI Standard.

However, to identify the areas where the impact of our business activities and relationships on the environment, society, and the economy is most significant, we contracted a non-financial reporting and consulting company to determine the indicators to be included in this report. The list of indicators was based on an analysis of the current legislative context, trends, and relevant areas in our sector. We also consulted and analyzed indicators from the SASB (*Sustainability Accounting Standards Board*) Standards, specifically the *Construction Materials Standard*, the *Real Estate Services Standard*, the *Home Builders Standard*, and the *Real Estate Standard*.

As a result of this analysis, we have identified **15 topics** where, through our business activities and relationships, we have a significant impact on the components of natural capital, society, and the economy, which we have divided into three categories:

- > **economic and governance topics,**
- > **environmental topics and**
- > **social topics.**

- o Direct and indirect economic value
- o Business ethics and responsibility
- o Personal data protection
- o Supplier relations
- o Sustainable buildings

- o Materials
- o Waste
- o Energy
- o Greenhouse gas emissions
- o Water
- o Biodiversity

- o Work environment
- o Employee training and education
- o Occupational health and safety
- o Volunteering and community investment

Material topics: economic and governance, environment, social



3 Environment

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Integrated management system

Within the company, the management of environmental issues is carried out in accordance with the provisions of the Environmental Management System. Our clients benefit of quality services, guaranteed by the most competent certifications in the field: ISO 9001, ISO 14001 and ISO 45001.

The certificates obtained guarantee a wide international acceptance and an openness to the international markets demonstrating at the same time the ability of our company to provide highest quality standard products, to understand the impact that the activity carried out has on the environment and to ensure the health and the safety of its employees, both at the headquarters and at work sites.

The Integrated Management Manual:

- > defines the organization's policy and objectives relating to quality, environment, and occupational health and safety
- > presents the sequence and interaction between processes
- > sets out the level of authority by position and responsibility for quality, environment, and occupational health and safety
- > defines the framework content, the elements of the integrated management system, and the general rules established to meet the requirements specified in the reference standards

The quality, environment, occupational health and safety policy defines our strategic objective to develop and maintain the certification of the Quality – Environment – OHS integrated management system and is characterized by principles such as:

- > minimising environmental impacts and optimizing the consumption of natural resources when developing the company's products and services,
- > improving environmental performance and preventing pollution by reducing or even eliminating significant impacts resulting from the processes or services performed by the company, but also by efficient use of resources.

At the same time, within the company, the procedure to identify Environmental Aspects sets out the methodology, responsibilities, and

authorities for determining the environmental aspects generated by the activities, products, and services included in the scope of the company's Integrated Management System and assessing the environmental impacts associated with these aspects.

The methodology includes:

- > identifying aspects that can be controlled and influenced, under normal and abnormal operating conditions as well as in emergency situations;
- > assessment of impacts associated with environmental aspects, to determine which aspects may lead to significant environmental impacts.

Identifying environmental aspects is carried out by a multidisciplinary team coordinated by the Environmental Management Officer. The environmental aspects identified under normal and abnormal operating conditions are assessed according to:

- > compliance with environmental laws and regulations and other requirements to which IMPACT subscribes;
- > the sensitivity of the recipient environment and stakeholders' views;
- > the level of impact risk;
- > impact control tools;
- > financial resources.

Changes and the development of new activities, products, or services may invalidate previously identified aspects or require new

aspects to be added to the list. Examples of such changes:

- > development of new products/services;
- > changes in the processes and technologies used, and the introduction of new processes;
- > changes in laws and regulations.

3.2

Responsibilities

The management of the company appoints the team responsible for the initial identification of environmental aspects, ensures that the coordinators of the departments in which significant environmental aspects have been identified establish future improvement measures, ensures that environmental objectives, targets, and the Environmental Management Program are defined based on the list of identified environmental aspects with significant impact, ensures that records related to environmental aspects are updated whenever changes or expansions of the activities, products or services of the organization are made. Department managers provide resources for the identification and assessment of current or potential environmental aspects and the means for the timely and effective resolution of the actions set out in the Environmental Management Program, and review and approve the list of identified environmental aspects with significant impact.

The Environmental Management Officer:

- > coordinates the activity of the team responsible for identifying environmental aspects;
- > provides internal advice on the identification and assessment of environmental aspects;

- > collects information on the environmental aspects identified and the results of the environmental aspects assessment;
- > submits the identified environmental aspects to the management of the company for review;
- > keeps at the level of the organization the Environmental Aspects Collection Sheets, Lists of environmental aspects identified under normal and abnormal operating conditions, Lists of environmental aspects under emergency conditions, Lists of environmental aspects to be included in requirements when concluding contracts with third parties, List of environmental aspects with significant impact;
- > is responsible for updating records of environmental aspects whenever changes or expansions are made to the organization's activities, products, or services;
- > is responsible for the drafting of the list of environmental aspects identified as having a significant impact on the organization;
- > is responsible for the implementation of the Environmental Management Program, monitors its compliance, and reports to the company management on the results of the implementation of the program and any deviations.

3.3

Headquarters related impact

Our employees are based at **IMPACT Developer & Contractor S.A. Headquarters Office in GREENFIELD Baneasa, 31 - 41 Drumul Padurea Mogosoia, Zip Code 014043, District 1, Bucharest**. All conditions are provided for the health and safety of employees and visitors. All facilities, utilities, IT equipment (computers and licensed software), printers (outsourced service), and containers for selective waste collection are provided. The company has a fleet of about 25 vehicles for the business travel of employees.



Given our strong commitment to reducing our environmental impact, the company has decided to replace our current fleet of "traditional" (internal combustion engine) vehicles with an electric fleet. ESG specialists have calculated that replacing the current fleet of cars alone will help IMPACT reduce carbon emissions by around 125 tons over the next 5 years.

In May 2022 company's employees were relocated to Impact's new head office building, located in GREENFIELD Baneasa. The new building is currently under procedure to obtain LEED certification.



o o o

Currently, information on the environmental impact of construction activity (materials used in operations, waste generated, energy used, and greenhouse gas emissions) is not collected centrally. These are available separately for each project under construction, and in the coming years, we will implement a company-wide information collection system.



4 Our people

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Work environment

We are aware of the value our employees bring to the company, so we want to create a work environment where they feel valued and respected. Through our internal policies and implemented programs and measures, we ensure a climate of fairness and mutual trust for our employees, knowing that only together can we achieve our sustainable development goals.

The internal document governing the rules of conduct that employees must observe in the workplace is the Internal Regulation. It includes provisions on compliance with the principle of non-discrimination, the rights and obligations of employees and the employer, working hours, handling employee requests or complaints, etc.

As of December 31, 2022, our team consisted of

78 employees,

of whom

56% women,

and the average age in the company was

42 years.

Employees by contract type

2022	Permanent	Temporary	Total
Men	30	4	34
Women	44	0	44
Total	74	4	78

Employees by working hours

2022	Full-time	Part-time*	Total
Men	32	2	34
Women	42	2	44
Total	74	4	78

*part-time = employees working 2 or 4h/day

Employees in administrative offices

2022	No.	% of total number of employees
Headquarters	51	65.38%
LUXURIA Residence	9	11.54%
GREENFIELD Baneasa	7	8.97%
BOREAL Plus	7	8.97%
GREENFIELD Copou	4	5.13%
Total	78	100%

Our recruitment and selection policy aims to identify sources of qualified candidates to fill new or vacant positions within the organization. Candidates are selected

according to specific criteria and are also tested on their skills, depending on the position and the level of the job.

Because we want to contribute to the

professional development of our employees, recruitment for vacancies or new positions is initially carried out internally and then externally. Within the organization, a Recruitment Officer is designated within the Human Resources Department and is responsible for initiating and planning the recruitment and selection of new employees.

Employees in senior management positions recruited from local communities 2022

No.	% of total
8	88.9%

Local community = Romania (individuals born in Romania or Romanian citizens)

The organization employs external workers who provide services to Impact Developer & Contractor SA, including those in IT, personnel management and administration, OHS, and

development.

The organization audits recruitment service providers annually to ensure the quality of their services.



All workers providing services for Impact SA are required to comply with the provisions of the company's Code of Conduct and the legislation in force.

Staff turnover Category	No.	New employees %of total employees	No.	Employees who left %of total employees
Men	12	67%	14	67%
Women	6	33%	7	33%
Total	18	100%	21	100%
Age				
<30	3	17%	4	19%
30-50	13	72%	3	14%
>50	2	11%	14	67%
Total	18	100%	21	100%
Location				
Iasi	2	11%	1	5%
Bucharest	14	78%	20	95%
Constanta	2	11%		
Total	18	100%	21	100%



Diversity and equal opportunities

By implementing the Integrated Quality - Environment - Health and Safety Management System, the company firmly respects and upholds the content of the Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Discrimination and harassment, for example on the grounds of age, race or color, ethnicity, national origin, religion or religious belief, political or another opinion, gender, and sexual orientation, is not tolerated within the company.

For any complaint or grievance of

discrimination or otherwise, employees may use the email address *hr@impactsa.ro*.

Employee diversity

Employees by gender and age

2022	<30	30-50	>50	Total
Women	7	29	8	44
Men	1	25	8	34

•••

In 2022, the company recorded no incidents of discrimination involving internal or external stakeholders in our operations.

4.2

Professional development

Performance evaluation

Within the company, an internal procedure called "Employee Performance Appraisal" sets out the framework of the Performance Management System and provides all employees with a useful tool for performance appraisal. The implementation of the procedure described in this document is monitored by the Human Resources Department.

The performance evaluation process provides for the assessment of performance indicators twice a year and the assessment of core and behavioral competencies once a year as

planned by the Human Resources Department.

•••

Remuneration policy

The Remuneration Committee, which reports directly to the Board of Directors, is responsible for defining the remuneration policy within the organization so that it is in line with the business strategy, objectives, and long-term interests.

By implementing the remuneration policy, the company promotes a fair and just working environment and, at the same time, effective risk management.

Benefits

Bonus value as % of salary	
2022	
Employees	29%
Management	20%
Top Management	19%

Annual adjustment of gross monetary compensation of managers and gross average monetary compensation on a full-time equivalent basis for non-manager employees:

	2021	2022
Annual adjustment of gross monetary compensation of managers	136%	91%
Adjustment of average gross monetary remuneration on a full-time equivalent basis for non-management employees	105%	107%

The annual adjustment is calculated by dividing the gross annual monetary remuneration of the current year by the gross monetary remuneration of the previous year.

2022	Full-time	Part-Time
Meal vouchers	✓	✓
Private health insurance	✓	✓
Support for personal events (marriage, birth, death, social benefits, etc.)	✓	✓
Gift vouchers and bonuses for employees and employees' minor children	✓	✓

•••

Over 2.3 million shares were distributed free of charge to employees and management as part of the **Stock Option Plan**.

At the same time, to promote a healthy lifestyle among our employees, we offered access them access to the Wellness Club by Greenfield, inaugurated in December 2022.

4.3

Occupational health and safety

Within the company, there is an Integrated Quality - Environment – Operational Health and Safety (OHS) Management System, in accordance with the requirements of the international standards ISO 9001:2015, ISO

14001:2015, and ISO 45001:2018. The Integrated Management System Quality - Environment - Operational Health and Safety applies to all processes identified within the organization, both at the headquarters and at the working points, both to our employees, and the collaborators and subcontractors of the organization.

At the same time, the company complies with the legislation in force regarding the Occupational Health and Safety Management

System (OHS).

Within the company there is an Occupational Health and Safety Committee (OHSC) comprised of employee and employer representatives and the occupational physician. It meets quarterly to discuss and review the following topics:

- > determining measures to eliminate hazards and reduce OHS risks;
- > determining control measures and their effective implementation and use;
- > determining competence requirements, training needs, training, and training evaluation;
- > investigating incidents and non-conformities and determining corrective actions;
- > consultation on the identification of stakeholder needs and expectations;
- > consultation on the establishment and implementation of OHS policy and objectives, internal audits, and compliance with legal and other applicable requirements;
- > consultation on determining applicable controls for outsourcing, procurement, and contractors;
- > consultation on the assignment of roles, responsibilities, and authorities;
- > consultation on determining measures to improve the performance of the occupational health and safety system.

Training of workers on occupational health and safety is carried out quarterly, with a total of 8 hours. In 2022, all employees attended such training.

Occupational health and safety activities are supervised by the Management Representative for the Integrated Management System (RSMI) and are carried out both by own staff and by external services (authorized companies). Health monitoring is carried out under contract

with an approved occupational health practice.

Communication and evaluation of responsibility awareness defined in procedures or job descriptions are done through training and training evaluation. Training is done upon hiring and at least once a year by the head of the area of the employee.

The main responsibilities of the Integrated Management System (IMS) are as follows:

Chief Executive Officer (CEO)

- > ensures communication within the organization on the importance of meeting stakeholder, legal and regulatory requirements;
- > ensures the development and implementation of quality, environmental, and OHS policy and objectives and establishes measures to ensure that they are communicated, understood, and applied by all company personnel;
- > ensures resource availability for the implementation, maintenance, and continuous improvement of the IMS;

- > appoints by decision the Management Representative for the IMS and delegates the responsibility and authority to document, implement and improve the IMS;

- > orders the necessary measures to ensure the safety and health protection of workers, the prevention of occupational hazards, the information and training of workers, the provision of the organizational framework and the means necessary for occupational

health and safety, conducts management

reviews of the status and effectiveness of the implementation of the IMS in the organization and orders the measures resulting from this review;

- > approves the documents specific to the integrated management system.

Department Directors

- > ensure the establishment, documentation, implementation, maintenance, and continuous improvement of the effectiveness of the IMS processes for the positions under their management;
- > take part in the setting of specific quality, environmental, and OHS objectives and targets, and establish the responsible parties for their achievement and monitoring.

Management representative for IMS

- > ensures that the processes required for the integrated quality, environment, occupational health and safety management system are established, implemented, and maintained in accordance with the reference standards in force;
- > reports to the CEO on the performance of the integrated management system and improvement needs;

- > plans and coordinates the documentation, implementation, maintenance, and improvement of the integrated management system;

- > ensures the identification of training needs related to the IMS and the planning and implementation of internal IMS training;

- > plans, organizes, and coordinates the internal audit activity.

OHS inspector

- > organizes prevention and protection activities within the organization in accordance with the provisions of the legislation in force to ensure workers' health and safety;
- > monitors compliance with the occupational health and safety requirements and the elimination of risks of accidents and occupational diseases;
- > monitors the implementation of the measures ordered by the labor inspectors during inspection visits and investigations of events;
- > proposes occupational safety and health clauses when concluding service contracts with other employers, including those with foreign employers.

Actions to address risks and opportunities are planned, included in the processes of the Integrated Quality, Environment, OHS management system, and evaluated for their effectiveness.

As part of the risk assessment, the Risk Register defines the threshold at which a risk must be deemed acceptable.

Risk management is the responsibility of each process owner. When risks are identified, the risk manager is also established.

Employee participation and consultation on occupational health and safety aspects are achieved through:

- > involvement in identifying hazards, assessing risks, and establishing controls;
- > involvement in the investigation of incidents;
- > involvement in the development and analysis of OHS policies and objectives;
- > consultation when changes affecting occupational health and safety occur;
- > representation regarding OHS in the OHSC.

Contractors are consulted when changes affecting occupational health and safety occur. Workers are informed via the intranet and through the OHS Inspectors of their participation agreements, including their representatives on OHS matters as to who is designated as their representative and as the management representative for the OHS management system.

Where appropriate, relevant external parties are consulted on relevant OHS matters.



In 2022, there were no recorded work-related accidents among our employees or workers.

Our suppliers

Within the company, an internal procedure called "Contracting works/services" outlines the necessary steps for the procurement of works/services to ensure process transparency as well as compliance with applicable legislation.

To prevent significant environmental aspects* arising through the performance of services/activities, depending on the scope of the contract, the Quality-Environment Representative identifies the significant environmental aspects of the services/activities performed by third parties on IMPACT S.A.'s premises and stipulates the contractor's obligations to control them within the contract. The identification of significant environmental aspects is carried out according to the internal procedure called "Environmental aspects".

At the same time, the company has an internal procedure for the Evaluation and selection of product suppliers, which is implemented by the Development Department.

The following aspects are taken into account when establishing the criteria for the evaluation/re-evaluation of product suppliers:

- > quality level of the products to be procured;
- > performance resulting from inspection and sample testing;
- > performance of similar products used;
- > technical authorization/approval for use, warranties offered (warranty insurance, duration of warranty);
- > performance of the supplier's quality management system and environmental management system;
- > technical and material capability of the supplier;
- > difficulty in replacing the supplier;
- > commercial performance (delivery capacity, delivery conditions - minimum quantity delivered, previous on-time performance);
- > previous cooperation, price, quality-price ratio, payment facilities, transport facilities.

* Environmental aspect = element of an organization's activities, products, or services that can interact with the environment. A significant environmental aspect has or may have a significant impact on the environment.

The assessment applies to new suppliers before a contractual relationship is established. Reassessment is applied to traditional suppliers annually in the fourth quarter or when deemed necessary by the relevant departments as a result of non-conformities during receipt, storage, product processing, or customer complaints. The assessment/reassessment activity of product suppliers is coordinated by the Development Manager. A Procurement Officer is appointed within the organization by the Development Department.

We are developing our projects by contracting suppliers which are rigorously assessed in line with our Sustainability Procurement Policy.

In 2022,

>90%

of the company's supplier expenditure was directed to local suppliers.

Local community involvement



In 2022, we were actively involved in several social responsibility projects in various fields, including in the organization of the Sports Festival which brought together about 3,410 people.

SOCIAL

In January 2022, IMPACT submitted the donation offer of a plot of land with a 3,933 square meters area, located in the GREENFIELD Băneasa complex, to the City Hall of Sector 1. The purpose of the donation is the construction of a public nursery for the children who live in GREENFIELD Baneasa and its surroundings.

In 2022, IMPACT completed the construction of a roundabout in Constanța city. Positioned on the DN2A(E60) national road, at the intersection between Tomis Boulevard and Amsterdam Street, the new roundabout improves road traffic both for the residents of BOREAL Plus and the neighborhoods located in the north of Constanța, as well as for all those who transit the city to Ovidiu and A2 highway, streamlining traffic and increasing safety on this section.

EDUCATION

We believe that a green future can be ensured by collective awareness of the need to implement sustainability standards. That is why IMPACT was present at the conference dedicated to sustainability, organized by Business Review, where it discussed the construction of sustainable residential compounds, to BREEAM Excellent and nZEB standards. During this event, the company also received the "The most sustainable project - LUXURIA Residence" award.

Likewise, the company received the award "The most sustainable real estate developer of the year" at the Financial Intelligence Awards Gala.

CARING FOR THE ENVIRONMENT AND INCREASING THE QUALITY OF LIFE

In 2022, IMPACT received the official BREEAM Excellent certificate that attests to the quality and sustainability standards of the Luxuria Residence residential compound (finalised 2021). Luxuria is the first residential project in the country that obtained BREEAM Excellent certification. The complex certification process recognizes the project's value throughout the built life cycle, assessing the sustainability of project solutions for a number of categories: energy, health and well-being, innovation, land use, materials, construction management, pollution, transport, water and waste.

COMMUNITY ENGAGEMENT

IMPACT supported the Romanian Creative Week festival in Iasi, a large-scale event in its second edition this year. During the festival, the Iași community was able to participate in concerts, fashion, film, visual arts and architecture festivals, as well as contests, fairs, exhibitions, conferences, workshops and parties, between 20.05.2022 and 30.05.2022.

IMPACT also supported in 2022 the first 2 editions of the Sports Festival. Through this approach, IMPACT aims to promote active and healthy lifestyles through mass sport, especially among young people and children. This year the Sports Festival was held in Iași between July 15-17 and in Bucharest between September 16-18.

GRI CONTENT INDEX

GRI standard	Information	Page(s) number(s)	Omission
GRI 101: Foundation 2016			
General disclosures			
GRI 102: General disclosures	Organizational Profile		
	102-1 Name of the organization	5	
	102-2 Activities, brands, products, and services	5-7, 24-28	
	102-3 Location of headquarters	5	
	102-4 Location of operations	5	
	102-5 Ownership and legal form	10-13, 19	
	102-6 Markets served	11-13	
	102-7 Scale of the organization	4-8, 33	
	102-8 Information on employees and other workers	49, 50	
	102-10 Significant changes to the organization and its supply chain	18	
	102-11 Precautionary Principle or approach	26, 27, 33, 36, 42, 43	
	102-12 External initiatives	32, 52	
	102-13 Membership of associations	29	

Ethics and Integrity

102-16 Values, principles, standards, and norms of behavior 15, 16, 23, 32

102-17 Mechanisms for advice and concerns about ethics 28

Governance

102-18 Governance structure 17-19

102-22 Composition of the highest governance body and its committees 18-22

102-25 Conflicts of interest 25

Reporting Practice

102-45 Entities included in the consolidated financial statements 5

102-46 Defining report content and topic Boundaries 5, 38, 39

102-47 List of material topics 39

102-48 Restatements of information Not applicable

102-49 Changes in reporting There were no changes.

102-50 Reporting period 01 January 2021 - 31 December 2021

102-51 Date of most recent report This is the company's first sustainability report following the GRI Standards.

102-52 Reporting cycle Annual

102-53 Contact point for questions regarding the report 5

102-55 GRI content index 62-68

102-56 External assurance The report has not been externally verified.

Material Topics

Economic and governance topics

Direct and indirect economic value

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	14, 60
	103-3 Evaluation of the management approach	8, 28

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14
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GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	60, 61
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GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	53
	202-2 Proportion of senior management hired from the local community	50

Personal data protection

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	26
	103-3 Evaluation of the management approach	26, 28

GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	26
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Sustainable building

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	35-37
	103-3 Evaluation of the management approach	28

Sustainable building	BREEAM certified projects	34, 35
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Business ethics and responsibility

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	24-27
	103-3 Evaluation of the management approach	24, 28

GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	24
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GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	24
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GRI 415: Public Policy 2016	415-1 Political contributions	24
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Supplier relations

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	58, 59
	103-3 Evaluation of the management approach	28

GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	59
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Environmental topics

Materials, waste, energy, greenhouse gas emissions, water, biodiversity

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38	
	103-2 The management approach and its components	42-44	
	103-3 Evaluation of the management approach	28	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Data were not collected for the reporting period.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	42-44	
	306-2 Management of significant waste-related impacts	42-44	
	306-3 Waste generated		Data were not collected for the reporting period.
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions		Data were not collected for the reporting period.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	42-44	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	42-44	
	303-2 Management of water discharge-related impacts		
	303-5 Water consumption		Data were not collected for the reporting period.

Social topics

Employee training and education

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	53
	103-3 Evaluation of the management approach	28
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	53

Working environment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	52, 53
	103-3 Evaluation of the management approach	28
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	54
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	19, 22, 53
GRI 406: Combaterea discriminării 2016	406-1 Incidents of discrimination and corrective actions taken	52

Occupational health and safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	55-57
	103-3 Evaluation of the management approach	28
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	55, 56
	403-2 Hazard identification, risk assessment, and incident investigation	56, 57
	403-4 Worker participation, consultation, and communication on occupational health and safety	57
	403-5 Worker training on occupational health and safety	56
	403-8 Workers covered by an occupational health and safety management system	55, 56
	403-9 Work-related injuries	57
Volunteering and community investment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38
	103-2 The management approach and its components	60, 61
	103-3 Evaluation of the management approach	9, 28
Volunteering and community investment	Total value of sponsorships	60



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