Sustainability Report 2024

texneo

Summary

ABOUT THE REPORT 3

MESSAGE FROM THE CHAIRMAN OF THE BOARD ... 4

1. TEXNEO 5
Who We Are 6
30 Years of History 8
Our governance 12
Governance structure 14
Governance evolution 15
Impact oversight and management 15
Ethics 16
Tax and fiscal management 17

2 ESG JOURNEY 18
Our journey 19
What guides us 20
Certifications 23

3. PEOPLE 25
Our team 26
Remuneration policy 30
Benefits policy 31
Education and Development 32
Health and well-being 33
Occupational Safety 35
Labor relations 36
Our community 37
We are a benchmark 43

4. PRODUCTS 46
Our business 47
Value Chain 51

5. PROCESSES 52
Water resources 54
Energy 55
Emissions 56
Waste 57
Innovation 58
Information Security 60

6. VISION OF THE FUTURE 61
What's ahead 62
Acknowledgments 63

ANNEXES 64
Annex of GRI Indicators 65

EXPLANATORY NOTES 70

GRI STANDARD INDEX 71

CREDITS 73

About the Report

[GRI 2-3]

In the fourth Annual Sustainability Report, we reaffirm our commitment to transparency and corporate responsibility by presenting the initiatives and results across the environmental, social, and governance dimensions throughout the year. This document covers the period from January 1 to December 31, 2024, and also highlights two significant milestones for the company: the celebration of its 30th anniversary and the establishment of the Instituto Texneo.

The development of this report was led by the ESG Committee, with the aim of communicating Texneo's actions, achievements, and future commitments toward sustainable development in a clear and accessible way. The content is structured based on the Global Reporting Initiative (GRI) methodology, ensuring that the indicators and metrics presented are aligned with global sustainability standards.

The GRI indexes are identified throughout the document alongside each section title and are also listed in the annex of this report, gathering all the metrics used and the pages where they can be found. Historical data for the indicators have also been included as an annex to this report.

To enhance the reading and navigation experience, we have used interactive icons and links, allowing quicker access to detailed information and supplementary data.

Sustainability is part of Texneo's identity and an essential pillar for its growth and longevity. This report not only reflects the practices and achievements of 2024 but also reinforces the work of the past 30 years and the company's vision for the future.

For more information, questions, or suggestions regarding this report, please contact us at francis@texneo.com or by phone at 47 3036-6464.

Message from the Charmain of the Board

[GRI 2-22]

Dear partners,

We are very proud to share in this report the advances and achievements of 2024, the year in which we celebrated three decades of existence.

Celebrating **Texneo's 30th anniversary** prompted important reflections and underscored the valufe of our medium and long-term investments. Many of the results reported in 2024 are the fruit of dedicated work carried out in previous years, and that is part of our identity. We consistently invest in quality, innovation, and socio-environmental responsibility with the goal of guiding the entire apparel industry toward an increasingly promising and sustainable future.

This year was marked by planned changes and transitions, as well as by improvements and achievements long envisioned by our team. The launch of the **Instituto Texneo** reinforces the work done so far to expand and enhance the company's positive social impact. At the same time, the planned separation of the CEO and Board Chair roles highlights our commitment to, and maturity in governance.

This period has also seen the consolidation of projects and initiatives in which we have invested over recent years. We have completed improvements that result in ever more sustainable management, refining our indicators and earning new and significant industry certifications.

And that is what we believe in. A forward looking vision and continuous dedication will lead us to ever better results. Moreover, we value those who build all of this with us: our people.

In 2024, we had the honor of hosting the Texneo Sales Representatives Convention on our premises, reinforcing our commitment to relationships of trust and partnership throughout the value chain.

Even in a year of so many accomplishments, we know that both internal and external challenges do not cease but instead drive us to progress. Generational diversity within the company inspires us to improve talent management and organizational culture, while the macroeconomic environment invites us to reinforce our resilience and commitment to the production chain.

Still, we believe our differentiator lies precisely in our ability to adapt and in the strength of an engaged team that shares the same values and objectives.

In 2025, we will continue investing in innovation and sustainability, as we know these principles must remain constant in our operations. We aim to further strengthen our ESG practices, consolidate strategic partnerships, and keep contributing to a more ethical and responsible industry.

We thank every employee, partner, and customer who is part of this journey. May we, together, continue building a better future.

Ricardo Axt (Chairman of the Board) and Edmur Polli (CEO)

Chapter 1

TEXNEO

Who We Are

[GRI 2-1 and 2-6]

Texneo has been developing and manufacturing high-performance fabrics for over 30 years, combining technology, comfort, sophistication, and versatility with responsible practices at every stage in the textile supply chain. We create products and prints aligned with global trends, with in-house or exclusive innovations in partnership with customers, delivering innovation in fabrics and digital printing for multiple occasions of use.

Texneo is a privately held corporation governed by its bylaws and applicable legal provisions. Its share capital consists exclusively of common shares, granting each shareholder voting rights at the Shareholders' Meeting. The corporate structure is predominantly held by Tallin Participações, together with individual shareholders who contribute to the company's governance and strategy.

Purpose

Empower people and organizations to transform their reality and make their dreams come true.

Our Business

Generate solutions for the apparel industry.

Mission

Foster the apparel industry ecosystem by generating sustainable results.

Vision

Be the leading solution for apparel industry professionals in South America.

Values

Place the customer at the core of every decision we make.

Innovate in the present to build the future.

Always act with respect and ethics.

Have teams with an ownership mindset and passion.

Guide our actions with environmental, social, and economic responsibility.

Headquartered in Indaial, Santa Catarina, we operate a state-of-the-art industrial park spanning 29,000 m², equipped with cutting-edge technology. We count on a team of 530 employees dedicated to developing innovative solutions for the textile industry, serving a base of 4,000 customers in 17 countries.

Industrial Park
29,000 m²

530
Employees

Export
17 countries

4,000
customers

Yarn input
Knitting mill
Dyeing Department
Digital Printing
Dyed yarn
Finishing
Fabric roll

30 Years of History

Founded in April 1994, Texneo was born from restlessness, entrepreneurial vision, and the determination of a visionary man. Ricardo Axt, then a student and sales representative, saw an opportunity: the market sought fabrics with elastane, but few produced them. Alongside his brother and partner, Fabrício Axt, he installed the first knitting machine at home and began a journey that, 30 years later, positions us as one of the region's leading textile companies.

From the start, we have placed the customer at the heart of our value journey, working to democratize fashion and well-being. Each yarn woven throughout this history carries innovation, technology, and an unwavering commitment to excellence. We expanded our horizons, diversified our portfolio, and grew, but our roots remain firm: knitting machine number 1 continues to operate, and Ricardo and Fabrício Axt remain at the helm of operations.

Today, we are more than 500 employees — a strong, determined team driven by purpose. People who achieve, who dream, who share achievements. People who transform the world. With a state-of-the-art industrial park and an innovative market outlook, we impact over 4,000 customers in 17 countries, always guiding our growth with respect for the planet and its people.

We acknowledge the responsibility and influence we have earned over these three decades. Therefore, innovation and sustainability are not just our commitment, they are the essence of our business." We pursue cleaner processes, diversified raw materials, and practices that inspire the entire production chain to act for a more sustainable world.

No one builds a legacy by standing still. Our history is defined by movement, evolution, and positive impact. More than celebrating a past of achievements, we envision a future of transformation, where we continue empowering people and organizations to realize their dreams. That is our greatest legacy.

Discover our manifesto.

1994

First dyeing production by Farbe

Purchase of the first knitting machine installed in the family home.

2001

Increase in production capacity to 200 metric tons per month.

2002

Start of exports to Argentina;

Construction of the first dyeing department.

2005

Expansion of the factory and unification of the knitting mill, dyeing department, and shipping.

2010

Construction of the new shipping department.

2018

Entry into the European market;

Installation of a new stenter, increasing production capacity.

2017

Name change from Farbe to Texneo, which means TEX – textile + Neo – new, innovation;

Start of the Jacquard knitting machine;

First Abvtex certification earned.

texneo

2016

Entry into new markets: North America and Africa;

Purchase of the first digital printing machine;

Launch of Maxxi.

2015

Strategic review for Sportswear, Beachwear, Underwear, and Lifewear markets.

2020

Inauguration of one of the most modern knitting mills in Brazil.

2021

Launch of TexneoGreen, a series of more eco-friendly textile procedures;

Creation of the Green line with sustainable products.

2022

Establishment of Texplay and the New Business Board.

texplay

2023

Increase in production capacity to 700 metric tons per month.

2024

Celebration of 30 years of history.

Creation of the Texneo Institute and separation of the roles of Chairman of the Board and CEO.

INSTITUTO Texneo 30 anos

MOVEMENT OF PEOPLE,
OF CONNECTION AND EXCHANGE.
LIFE IS MOVEMENT AND ATTITUDE,
AND TRANSFORMATION
NO ONE BUILDS A LEGACY
BY STANDING STILL!
TEXNEO IS LIFE.
TEXNEO IS CONSTANT MOVEMENT.

30 anos

Our Governance

[GRI 2-9, 2-10, 2-11, 2-12, 2-13]

At Texneo, we are committed to continuously evolving our governance practices, ensuring that strategic decisions are guided by transparency, integrity, and accountability.

Our governance structure reflects this commitment, aimed at strengthening stakeholder trust and ensuring sustainable long term growth.

DECISION-MAKING BODIES
TECHNICAL BODIES
ADVISORY BODIES
OVERSIGHT BODIES

Strategy and Growth Committee:
Acts on the analysis of expansion opportunities, innovation, and development of new businesses, guiding the company toward sustainable and competitive growth.
Members:
Executives: Carla Cassiana Brandão Schork, Eduardo Luiz Schwarz, Ricardo Axt
Independent: Mauro Fistarol

People Committee:
Focuses on three strategic pillars: Culture, Succession and Knowledge Management.
Members:
Executives: Janaina Schaefer, Anna Paula Tarnovski Figueredo Molin, Francisleine Tomazoni Axt and Edmur Polli
Independent: Livia Mandelli and Jussara Dutra

ESG Committee:
Addresses material ESG topics and strategy, focusing on the evolution of corporate sustainability and the business's longevity. In addition to the committee reporting to the Board, there is a working group with members from various company areas.
Members:
Executives: Francisleine Tomazoni Axt, Janaina Schaefer and Michelli Resendes
Independent: Luiz Gustavo Ortega

Risk and Audit Committee:
It develops a risk management culture and structures internal policies and standards to strengthen governance and mitigate potential impacts to the company.
Members:
Executives: Eduardo Luiz Schwarz, Michelli Resendes e Vinícius Duarte da Silva
Independent: Sérgio Simões and Jorge Krening

Ethics Committee:
Its objective is to promote a safe, transparent work environment and foster an ethical culture within the organization, keeping the Code of Ethics updated and employees trained.
Members:
Executives: Janaina Schaefer, Karin Hellen Froehlich, Ricardo Axt, Vinícius Duarte da Silva and Anna Paula Tarnovski Figueredo Molin.

Governance structure

Governance evolution

In 2024, we implemented the appointment of a new CEO, Edmur Polli, who began his role in April, sharing the position with then-CEO Ricardo Axt in a scheduled succession process with no set timeframe.

However, this change was fully consolidated within the same year, thanks to a strong alignment of values and purpose, allowing Ricardo Axt to relinquish his executive duties and dedicate himself exclusively to chairing the Advisory Board, Family Council, and Strategy & Growth Committee. The separation of these two senior leadership roles reinforces our governance maturity.

The Advisory Board comprises both executive and non-executive members, ensuring diverse perspectives and a balanced approach to decision-making. Independent members serve fixed terms of up to two years, renewable once, which guarantees leadership continuity and renewal.

This Board is supported by specialized committees that oversee and guide corporate policies and practices. Its members maintain a limited number of external roles, ensuring they can dedicate the necessary time and attention to their responsibilities.

Additionally, we maintain transparent nomination and selection processes for both the Advisory Board and its committees, including candidate identification, competency and experience evaluation, and final shareholder approval.

Impact oversight and management

The Advisory Board has delegated impact management responsibilities to the Risk and Audit, Ethics, and ESG Committees, each comprising representatives from different company areas. This approach enables integrated, comprehensive impact management across the organization.

All committees and senior executives are accountable for reporting initiatives and outcomes related to impact management to the Advisory Board. This communication occurs through formal and informal presentations, periodic meeting discussions, and regular communications, ensuring the Board is fully informed and able to make decisions.

Committee

[GRI 2-16]

The Ethics Committee is responsible for reviewing and handling all issues raised through the reporting channels. Among its responsibilities, it evaluates incoming reports biweekly and manages the follow-up actions. In 2024, there were no cases related to ethical or trust issues.

We also maintain a **Code of Ethics and Conduct** for employees and representatives, available on our website. In this document you can find the organization's general guidelines, as well as information such as the available reporting channels.

We have a **Supplier Code of Conduct** that provides appropriate guidelines for the entire value chain, reinforcing our end-to-end sustainability commitment in the production process. It's worth noting that adherence to this document began in 2024, and 95% of our suppliers have already signed it:

Tax and fiscal management

[GRI 207-1, 207-2, 207-3]

Monitoring of tax practices is conducted through a governance structure composed of the Executive Board and the Audit Committee. These bodies, together with the Tax Committee, comprising operations staff, the Executive Board, the CEO, and external legal advisors ensure the integrity and compliance of tax operations.

We have conducted external audits of our financial statements since 2017. In 2024, Ernst & Young (EY) performed a detailed review and issued an unqualified opinion, confirming compliance with Brazilian accounting standards.

Effluent Treatment Plant (ETP)

CHAPTER 2
ESG JOURNEY

Our journey

Social, environmental, and governance responsibility is part of Texneo's identity. We believe this commitment must be practiced through continuous actions to build a consolidated effort.

In addition to offering socially and environmentally responsible products to our customers, we influence the entire value During the year we welcomed visits and shared knowledge with other companies, customers, and suppliers, contributing to the entire ecosystem and inspiring those seeking ever closer alignment with ESG pillars.

For us, 2024 was synonymous with consolidation and progress. We advanced in addressing topics material to the organization and launched projects that will yield positive results in coming years, as we understand the importance of medium- and long-term investment.

At the same time, we celebrated significant advances resulting from investments and decisions made in recent years.

See our results on the following pages.

What guides us

[GRI 3-1 and 3-2]

We are a performance-driven, results-oriented company. In addition **to the mission, vision and values,** our Strategic Map is also a guideline, updated annually to promote transparency and essential guidelines for the entire organization.

We also have an ESG Strategy, based on the three main pillars of our operations:

-People
-Processes
-Products

Based on these pillars, in 2023 we developed our materiality matrix, identifying and prioritizing the most relevant environmental, social, and governance issues for the organization. Since then, we have also launched various initiatives grounded in this matrix.

Below is how our ESG Strategy connects with the material topics:

		MATERIAL TOPIC	PRIORITIZED SDGS
PEOPLE	Our employees, customers, and the communities in which we operate are our greatest asset. Investing in their well-being, diversity, and development is essential to our company's success.	Talent attraction, development and retention, Local Communities, Governance, Transparency and Integrity	
PROCESSES	We are committed to continuing to operate efficiently and responsibly in all areas of our business. Continuously improving our processes, effectively managing resources and minimizing environmental impacts are essential aspects of our approach to promoting long-term sustainability.	Economic and financial management, Energy management, Supplier management - Socio-environmental risks, Waste and Rejects Management, Risk Management, Water Resources, Innovation	
PRODUCTS	Our commitment to sustainability extends to the products we offer. We constantly seek innovation and quality, aiming for them to meet not only the needs of our customers, but also the standards of social and environmental responsibility.	More sustainable products	

Certifications

[GRI 2-23]

Realizing our commitment to ESG, we are recognized by a series of certifications. In 2024, we expanded our achievements, obtaining the RCS (Recycled Claim Standard) and I-REC (International Renewable Energy Certificate) certifications.

CU 1173048 CU 1173048

RCS (Recycled Claim Standard)

The RCS (Recycled Claim Standard) certification guarantees the traceability of recycled materials in the production chain, ensuring transparency and credibility in the use of sustainable inputs.

STANDARD 100 7892CIT Institute STANDARD 100 12969CIT Institute

Oeko-Tex Standard 100

An independent international certification and testing system for raw materials, intermediate textile products and signs in all phases of the process, as well as accessories used, which certify 100% of our products.

Sou de Algodão

A movement that encourages the conscious use of cotton in fashion, promoting a more sustainable production chain and valuing the work of producers. Texneo supports this initiative and reinforces its commitment to responsible practices.

Roadmap to Zero

A global initiative that aims to eliminate hazardous chemicals in the textile chain, promoting a safer and more sustainable future for the industry. Texneo is committed to adopting increasingly cleaner and more responsible processes.

I-REC (International Renewable Energy Certificate)

The I-REC (International Renewable Energy Certificate) certificate proves that the energy used by the company comes from renewable sources, reinforcing the commitment to reducing environmental impacts and transitioning to a more sustainable energy matrix.

Certifications

[GRI 2-23]

GREEN FIBER

Green Fiber

Certification that attests to Texneo's commitment to the environment, through the use of sustainable fibers in its products. This initiative reduces environmental impact and encourages the use of more responsible raw materials.

eureciclo

Eureciclo

Certification that guarantees that Texneo performs environmental compensation for the packaging it places on the market, through recycling and reverse logistics. This initiative strengthens the company's commitment to social and environmental responsibility.

Great Place To Work. Certificada

GPTW

The GPTW (Great Place to Work) certification recognizes Texneo for offering an excellent work environment, valuing a culture of trust, high performance and innovation, with a focus on the well-being of its employees. Texneo is among the Best Companies to Work for for the 4th consecutive year.

EMPRESA CERTIFICADA abvtex EM RESPONSABILIDADE SOCIAL

OURO

ABVTEX - Gold Certificate

The ABVTEX (Brazilian Association of Textile Retail) certification attests to the company's commitment to exceptional standards of social responsibility, safety and good labor practices in the textile industry.

MOVIMENTO NACIONAL ODS SANTA CATARINA OBJETIVOS DE DESENVOLVIMENTO SUSTENTÁVEL

We are SDGs

The SDG Seal certifies companies that adopt practices aligned with the UN Sustainable Development Goals. Texneo complies with the six established commitments, implementing responsible and sustainable actions in its operations and partnerships.

We recognize that the path to sustainable growth is made up of respect and appreciation for people. Our work includes internal actions such as promoting an inclusive, safe and stimulating work environment, as well as external actions such as projects and investment in the community where we operate.

In this chapter, we present the initiatives and commitments on this topic.

CHAPTER 3
PEOPLE

Our team

[GRI 2-7, 401-1 and 405-1]

We ended 2024 with 530 employees, resulting in a 15% increase in the team. This number represents Texneo's constant growth.

See the team's diversity breakdown:

Age group - General

Race

General

Leadership

Gender

Complete elementary school

Leadership

Education - General

Nationality - General

Reinforcing our commitment to inclusion and diversity, we closed the year with 20 employees with disabilities on our team, including individuals with visual, physical, hearing, and intellectual disabilities. Regarding the 2024 hires, we achieved 71% retention of these professionals.

In addition, the analysis of data on employee retention in general was improved. Information on the administrative area and the production area were analyzed separately, also collecting specific data on employees with up to 1 year with the company. In the administrative area, retention increased by 25%, while in the production area there was a 14% increase.

Regarding overall turnover, Texneo had a rate of 2.4% in 2024. It is worth noting that the region where the company is located is experiencing a period of constant economic growth, also resulting in an increase in job opportunities.

Diversity and Inclusion

We remain committed to building a more diverse, equitable and inclusive environment, recognizing that this is a continuous path of evolution and that there are still challenges to be overcome.

To this end, the Diversity & Inclusion Committee holds monthly meetings, focusing on 4 pillars:

People with disabilities
Promoting the inclusion of people with disabilities, ensuring accessibility, opportunities and support so that they can develop their potential in the workplace, under equal conditions.

Gender equity
The pursuit of equal opportunities between men and women and the promotion of an environment that values the contribution of all genders.

Inclusive environment
Creating a work environment where all employees feel safe and are respected, regardless of their personal, cultural or social characteristics.

Generational diversity
Encouraging mutual learning in building results among different age groups in the workplace, promoting the exchange of experiences, the appreciation of different perspectives and intergenerational cooperation.

As an evolution on this topic, in 2024 we created the **Texneo Affinity Group**, made up of employees from different social backgrounds. Three meetings were held during the year with the aim of promoting a safe space for connection, sharing experiences and discussing issues that affect the identity of our employees.

The members of the group are recognized as Diversity and Inclusion Ambassadors within the company, contributing to validating and implementing diversity, inclusion, equity and belonging (DIEP) actions.

We had the support of a consultancy specialized in Diversity and Inclusion in both the structuring of the group and the meetings.

In addition, Texneo supported initiatives and carried out other activities related to the topic.

6x4 Program: Inclusion of Young People with Disabilities

Support for APESBLU (Blumenau Parasports Association) has been provided since 2021. Through the program, Texneo hired three young para-athletes, offering them a 30-hour work week, with 20 hours dedicated to their duties at the company and 10 paid hours for training at the association.

The supported athletes achieved important achievements in 2024, such as the podiums won by Alex Sandro Pereira in Table Tennis in state and national competitions, the participation of Everton Kauan Oliveira de Matos in Parajasc in the running and long jump categories, and the historic victory of Marques Bruno da Silva Correa in Goalball.

In addition, Texneo received a visit from the Secretariat for the Inclusion of People with Disabilities (SEIDEP) of Blumenau as an invitation to learn about and discuss other projects.

APAE de Indaial

(Association of Parents and Friends of the Exceptional – Indaial)

We welcomed a visit from APAE de Indaial aimed at encouraging the inclusion of young people with disabilities in the labor market. This initiative enabled an exchange of knowledge on inclusive practices and new employment opportunities.

APAE Blumenau (Association of Parents and Friends of the Exceptional – Blumenau)

Texneo hosted the organization's visit and had the opportunity to tour its facilities and meet its students. On both occasions, actions were planned to strengthen the bond between the two institutions and promote inclusion in the region. In addition, APAE Blumenau participated in the Internal Work Events Week (SIPET), where the organization's specialists spoke about ableism and inclusive environments, focusing on raising awareness among all employees.

Autism Literacy

We held a lecture with Ricardo Demirci, an expert on the subject who has contributed to the development of public policies in Argentina, his country of origin. The initiative sparked important reflections on adapting the workplace and respecting differences, helping to create a more welcoming and accessible environment for everyone.

Perceptions on the Topic

Beyond the data presented, we also monitored our employees' perceptions on the matter.

In the Climate Survey, the item "Respect for Diversity", which assesses the degree of discrimination within the company, scored **8.0**, indicating that **80%** of employees feel they are treated equally.

In the GPTW survey, under the "Impartiality" dimension, we achieved:

94%
of employees reported being well treated regardless of gender;

93%
said they are well treated regardless of their color or ethnicity;

92%
feel they are well treated regardless of their sexual orientation.

Remuneration policy

[GRI 2-19]

At Texneo, we have adopted a structured remuneration policy to ensure the appreciation of our employees. As part of this strategy, the **Global Results Agreement (GRG)**, aligned with **Texneo's Strategic Map**, sets collective goals and indicators that focus team efforts and establish a direct link between performance and reward.

The model provides for profit sharing, granted semiannually to all employees, with distribution based on achieving Operational and Net Results targets, as well as ESG goals and the other perspectives of the Strategic Map.

In addition to the incentives offered, remuneration follows the guidelines established in collective bargaining, ensuring compliance with agreed terms and fostering a fair and balanced work environment.

In 2024, we took a strategic step in managing our remuneration policy by revising the **Job & Salary Plan**. The main objective was to provide greater clarity on the roles, responsibilities, and expectations for each position, ensuring transparency and equity in our organizational structure.

The project included a detailed mapping of all positions, covering requirements, necessary competencies, and evaluation criteria. This approach enabled employees to better understand their role within the organization and envision a structured path for professional growth.

Additionally, we conducted a comparative study of market salaries and benefits, reinforcing our commitment to attracting and retaining talent. The revision of the **salary table**, based on specialized research, ensured that the company remains competitive and aligned with industry trends.

Among the project's key deliverables are the new Job & **Remuneration Management Policy** and the Pay Transparency Report.

Promotions In 2024, Development

In 2024,
76 employees were promoted,
representing 14.4% of the total workforce.

The promotion rates by gender were:

These figures reflect our commitment to offering growth opportunities, recognizing performance and dedication.

Benefits policy

[GRI 401-2, 401-3]

With a focus on employee health and well-being, we go beyond mandatory benefits to provide additional advantages that reinforce our commitment to valuing and developing our team:

- Extendable health plan for the family partially subsidized by the company;
- Access to healthcare professionals such as doctors, nutritionists, speech therapists, physiotherapists and psychologists in the company;
- Dental plan with SESI Clinic, partially subsidized by the company;
- Extended maternity leave of 6 months (Empresa Cidadã Program);
- Paternity leave of 20 days (Empresa Cidadã Program);
- Life insurance fully subsidized by the company;
- On site company cafeteria;
- Shuttle transport for all shifts;
- Child nutrition assistance benefit
- Daycare assistance for mothers;
- Education assistance for undergraduate, postgraduate, technical courses, and language courses, partially subsidized by the company;
- Professional development programs;
- Estar Bem Program, which includes Texneo Open Market, Organic Garden, Texneo Emporium (trusted market), Você + Saudável initiative, and Ilhas de Pausa;
- Programa Momentos, aimed at honoring important moments for employees as recognition for goal achievement, tenure, birthdays, special dates, and more; Employee pharmacy benefit programs
- Payroll deductible loans;
- Subsidy for the purchase of eyeglasses.
-

Education and Development

[GRI 404-2]

We believe that continuous training of the team and the development of the organization go hand in hand. Thus, we invest in qualifying our employees through educational assistance and the provision of training, aligned with the needs of each area and role, based on managers' evaluation and recommendation.

Review the 2024 results:

Total investment in professional development
R$ 356,378.92

Amount invested in Education Assistance
R$ 75,174.04

Total training hours
R$ 6,181.00

Health and well-being

[GRI 403-1, 403-3, 403-5, 403-6, 403-7, 403-8 and 403-10]

The Estar Bem Program is an initiative to provide comprehensive support for the physical and mental health of the team, promoting quality of life inside and outside the corporate environment.

Through ongoing activities, the program provides access to specialized professionals, encourages healthy habits, and promotes activities focused on disease awareness and prevention. In 2024, we continued offering services such as psychological counseling, physiotherapy, nutrition, occupational medicine, and other services.

Additionally, we invested in initiatives that value the balance between personal and professional life, such as:

Roundtable conversations

Spaces for dialogue on mental health, self-awareness, and facing challenges, promoting enriching exchanges among participants.

Thematic campaigns

Engagement in movements such as Yellow July (Viral Hepatitis Awareness), Lilac August (Violence Against Women Awareness), Red September (Cardiovascular Disease Awareness), and Orange December (Skin Cancer Prevention), among others, with lectures, educational materials, and awareness-raising initiatives.

Employee health moment

Provision of free information and services, from blood pressure measurement to nutrition guidance, especially during SIPET (Internal Week for Prevention of Workplace Incidents). It also includes bicycle sales to encourage physical activity, eye exams, and even financial consulting.

Fruit delivery

Twice a week, reinforcing the encouragement of healthy eating habits in the employees' daily routine.

Espaço Boulevard

Interactive environment with games and playful activities during breaks, promoting relaxation and integration.

Relaxation Zones

Breaks for muscular rest for production area employees, in an air-conditioned environment with access to books and coffee.

Company farmers' market day

As an incentive for healthy eating, every Thursday there is a fruit and vegetable sale within the company, with the option of payroll deduction.

Indaial Intercompany Games:

Texneo's largest participation in the Intercompany Games, with more than 100 employees taking part and achieving 4th place in the municipality.

Programa Descompressão:

Promotes self-care and self-awareness with mindfulness techniques. It achieved 100% approval among the 48 participants during the two month implementation.

So far, the Estar Bem Program has delivered impressive results, such as eliminating absences due to musculoskeletal issues and those related to mental health, as well as reducing health plan co-payment costs. Additionally, 80% of participants provided positive feedback for the program.

in people management and social responsibility. This recognition in the "Organizational Excellence" category reaffirms the relevance of the Estar Bem Program as a model program, highlighting its contribution to strengthening bonds and promoting a healthy corporate environment.

Organizational climate management

The Pulses Corporate Climate Survey, conducted in six biweekly cycles over three months, provides continuous feedback on various aspects of the work environment, such as climate, relationships, resources, and leadership. At the end of each cycle, the results are shared with the Board and managers, who use the information to develop action plans focused on areas needing improvement.
The overall survey score was 8, with the NPS reaching 9 and the e-NPS 8.9, reflecting a high level of satisfaction and engagement among the team.

Score
Represents the overall score of the survey, indicating the average of employees' evaluations on various aspects of the work environment.

NPS (Net Promoter Score):
Measures employee loyalty to the company, based on the likelihood of them recommending it to others.

e-NPS (Employee Net Promoter Score)
A variation of the NPS applied specifically to employee engagement, assessing how likely they would be to recommend the company as a great place to work.

Furthermore, the GPTW Survey, conducted in October, secured Texneo's recertification among the Best Companies to Work For for the fourth consecutive year.

The results of both surveys were transparently shared with all employees and generated parallel action plans aimed at further strengthening people management within the company.

Occupational Safety

[GRI 403-2, 403-9 and 403-10]

We believe the best care is prevention. Therefore, we continuously invest in preventive measures, training, and compliance with regulatory standards. We employ the Human and Organizational Performance (HOP) methodology for incident investigation, focusing on prevention and continuous improvement.

In 2024, there were no work related illness absences, reflecting the effectiveness of our prevention and safety promotion measures. In parallel, Texneo provided over 3,000 health services, including physiotherapy, nutrition, and psychology, as well as occupational and primary medical care

Labor relations

[GRI 407-1]

Texneo is affiliated with the Employers' Union of the Spinning, Weaving, and Apparel Industries of Blumenau (SINTEX), while employees are represented by the Workers' Union of the Spinning and Weaving Industries of Blumenau, Gaspar, and Indaial (SENTRAFITE).

Since 2017, the unions have not reached an agreement on the collective bargaining agreement. However, Texneo offers various benefits to employees as previously mentioned, in addition to overtime pay above legal requirements, guarantees for accompanying a sick child, among others.

We provide freedom of association to employees, including this information in the onboarding of new hires. In total, 76 employees are union members, representing 14% of the workforce.

Our community

[GRI 413-1]

We recognize the importance of building and strengthening ties with the various stakeholders within Texneo's ecosystem. Our growth and positive impact extend beyond the company's boundaries to the community, the industrial sector, and the organizations with which we collaborate.

Through strategic partnerships and regional development initiatives, we aim to drive innovation, foster sustainable growth, and strengthen corporate social responsibility.

Social investment and institutional support

INSTITUTO Texneo

One of our major milestones in 2024 was the establishment of the Instituto Texneo, a private non-profit association aimed at promoting sustainable development and social responsibility in the communities where Texneo operates, expanding the social impact generated and strengthening governance in the process.

Based in Indaial (SC), the Institute seeks to promote human development and social inclusion through initiatives structured around four pillars: Education, Sport, Innovation, and Entrepreneurship.

"Each project, each fundraising campaign, each cultural or educational initiative we support is focused on the real transformation of the communities in which we operate. Texneo is increasingly committed to sustainable development and innovation. We believe that by investing in education, culture, sport, and the environment, we are building a more just and balanced future for all."

Francisleine Tomazoni Axt
(President of the Instituto Texneo)

This year, we supported various organizations that have made significant contributions to local development.

Get to know some of these initiatives:

Texneo Educa

Since 2017, the program has been essential for ninth grade students in basic education, preparing them for the job market and career choices. In 2024, it was expanded to another school, now serving the Encano Baixo Rudolfo Alfarth and Juvenal Carvalho Municipal Basic Schools in Indaial (SC).

To date, it has impacted 204 students and engaged 148 volunteers. In 2024, 42 students participated in 65 hours of classes taught by 32 volunteer teachers. The program offers 13 subjects, such as Entrepreneurship, Innovation, Information Technology, Financial Education, and Logistics, as well as factory visits for hands-on learning.

In addition to impacting students, Texneo Educa strengthens the spirit of volunteerism and personal development among employees.

Mônica Poyer A. Bridi, Credit Analyst and volunteer teacher, shares:

"I feel happy and honored to participate in this inspiring project. It is my third year as a volunteer, and with each class, the feeling is rewarding. In 2024, we covered Financial Education, planting a seed on a topic essential for making dreams come true."

The director of EBM Juvenal Carvalho, Eveli Preilipper de Jesus, highlights: "

The project provided our students with a structured overview of the labor market, covering everything from how a company operates to the importance of dedication to their studies. This partnership inspires and shapes committed citizens.

Ação Projeto de Vida (Life Project Action)

This initiative brings high school students closer to the realities of the labor market, highlighting the importance of education, entrepreneurship, and the impact of companies on society. In partnership with E.E.B. Frederico Hardt, Texneo contributed to the development of seven 10th grade classes with activities ranging from future oriented perspectives to the relevance of continuous learning.

This is an initiative of the Qualifica Mais Indaial project, which was created by business representatives from ACIDI (Commercial and Industrial Association of Indaial). The program involves non-profit organizations, public authorities, and educational institutions, and aims to raise basic educational levels and technical training, thereby increasing professional qualifications and filling positions offered by the municipality's companies.

Mundo SENAI Indaial (SENAI Indaial World)

The program aims to promote education for young people preparing to enter the labor market. Through an event featuring diverse activities, participants gain insights into potential companies and professions. We took part in the Indaial edition for two days, presenting Texneo, our products, processes, and development opportunities within the industry. The event attracted 2,000 visitors.

Texneo Novum Festival

Sponsored by Texneo through the Federal Cultural Incentive Law (Lei Rouanet), the event took place between September and October 2024. In addition to an exhibition, the festival featured workshops, lectures, and other activities across various thematic axes that blend art and technology. The project also received support from the Museu de Arte de Blumenau (Museum of Art of Blumenau), the Municipal Secretariat of Culture and Institutional Relations, and the City Hall of Blumenau.

Donations to Rio Grande do Sul

In 2024, part of Texneo's private social investment funds were allocated to mitigating the impacts of the floods in Rio Grande do Sul. This action reinforces our commitment to regional support and development.

Produto do Bem

The campaign aimed to convert a portion of the net profit from selected products in the Texneo Green line into basic food baskets for vulnerable communities. As a result, R$ 9,095.00 was raised and converted into basic food baskets delivered to entities such as APAE Blumenau and the Rotaract Club de Indaial.

Check out Texneo's donation volume and the complete list of all beneficiary organizations.

Total donations direct funding:

R$ 255,263.77

Total donations incentivized funding:

R$ 620,059.01

Organizations supported with direct funding:

54° Grupo de Escoteiros Cruzeiro do Sul

Abrigo de Indaial

Aluno Programa Startup Maker - SESI Indaial

APAE Blumenau

APAE Indaial

Ass. Senhoras de Rotarianos de Blumenau

Associação do Norte de Minas

Associação Empresarial de Indaial - ACIDI

Casa da Esperança

Clube de Caça e Tiro Itoupavazinha

Clube Ipiranga

Diocese de Blumenau

Doação para mitigação de impactos da enchente no RS (Donation for Mitigation of Flood Impacts in RS)

Equipe de Robótica Quero Quero

Hospital Beatriz Ramos

Hospital Santo Antônio Blumenau

Luan Dujarte Santos (natural person)

Associação de Educação Complementar Puro Amor

Rotaract Indaial

SENAI Indaial

Projects and organizations supported with incentive funding:

Sociedade Casa da Esperança

AMESFI - Associação Medianeirense de Surdos. Project: The promotion of mental health for deaf people and those with hearing impairment to foster empowerment and inclusion in the workplace.

APAE BLUMENAU – Running Together: Solidarity and Inclusion by APAE Bnu

APAE BLUMENAU – Sport as an Agent of Inclusion for People with Intellectual and Multiple Disabilities

Acquisition of a 1.5T Magnetic Resonance Imaging Equipment – Cachoeiro do Itapemirim/ES

Associação Professor Artur Novaes - APAN Vôlei Year 4

Fábrica de leitores - MARTE CULTURAL LTDA

FUNDAÇÃO DE ESTUDOS DAS DOENCAS DO FIGADO KOUTOULAS RIBEIRO

Fundo Municipal da Infância e Adolescência de Indaial

Fundo Municipal do Idoso

Fundo Municipal dos direitos da criança e do adolescente - FMDCA

Fundo Municipal dos direitos da criança e do adolescente - FMDCA - Projeto Brinquedoteca

Fundo Municipal dos direitos da criança e do adolescente - FMDCA - Sons e Tons

Hospital São José Jaraguá do Sul – Semi-intensive care for patients aged 60+, intermediate care unit (Beneficiary: Fundo Municipal do Idoso de Jaraguá do Sul)

Hospital São Vicente de Curitiba

Projeto 16 Fest Folk Instituto de Artes Integrada de Blumenau - INARTI

Projeto 29ª Natal em Indaial - O natal é nosso presente

Projeto ABADA

Projeto Apoio à atenção oncológica Hospital São José

Projeto Arte sem limites - Expressão e inclusão através da cultura (APAE)

Projeto Inclusão e Saúde: Ampliar, Inovar para Reabilitar

Projeto Jaraguá Futsal III

Projeto Texneo Novum Festival

Projeto Tom Maior

Texneo Novum Festival - MARTE CULTURAL LTDA

Transformando vidas - ASSOCIAÇÃO DOS DEFICIENTES FÍSICOS DE DELMIRO GOUVEIA (ADEFIDEG)

We are a benchmark

[GRI 2-28]

With 30 years of operation, Texneo has established itself as a benchmark in the textile industry, standing out for the quality of its products, innovation, and commitment to sustainability.

Our market and regional presence is reinforced by active engagement in various associations and organizations that share our vision for the future. We actively participate in these entities to promote sector development, strengthen our representation, and positively influence initiatives that benefit the entire production chain.

· ABIT - Brazilian Textile and Apparel Industry Association

Represents more than 24,000 companies in Brazil and promotes the sustainable development of the sector, innovation, and global competitiveness.

· ABRH – Brazilian Association of Human Resources

Fosters knowledge about the world of work and contributes to the development of people and organizations, influencing social, political, and economic improvements.

· ACIDI – Indaial Business Association

Brings together local business owners to strengthen the productive sector, encourage municipal economic growth, and represent the interests of member companies.

· Instituto Gene Blumenau

A non-profit organization that manages the Blumenau Innovation Center, incubates companies, and develops projects to foster innovation.

· SINTEX (Union of Spinning, Weaving, and Clothing Industries of Blumenau)

Defends the interests of the textile and apparel industry in the Itajaí Valley, negotiating collective agreements and promoting balance between employer and labor unions.

· Movimento ODS SC (Santa Catarina's SDG Movement)

Mobilizes companies, governments, and citizens in Santa Catarina to promote the United Nations' 2030 Agenda Sustainable Development Goals.

· FIESC – Federation of Industries of Santa Catarina

Represents and supports Santa Catarina's industry, proposing solutions and monitoring strategic issues that impact the productive sector.

Texneo Tour

This initiative is part of Febratex's programming, the

largest textile machinery and technology trade show in the Americas. Its goal is to provide an immersive experience for event visitors, as well as foster integration and knowledge sharing with partners, customers, prospective customers, and the entire community around our operation, reinforcing Texneo as an industry benchmark.

Through the tour, we invite students, industry professionals, and other stakeholders for an immersion into Texneo's production processes, our sustainable practices, and the technological advancements we have implemented over the years.

In addition to being an opportunity for learning and exchanging experiences, the Texneo Tour also serves as a channel to strengthen ties with our stakeholders and engage new talent that can contribute to innovation and sustainability in the future.

In 2024, we welcomed more than 280 visitors from 10 different organizations such as ACIDI, FIESC, SC Angels, FURB, UFSC, schools, and others to our factory.

In the year Texneo celebrates its 30th anniversary, we brought the Sales Representatives Convention in-house. The largest edition of this event brought together 62 participants from all Brazilian states and Latin America for two days of immersion.

The schedule included a factory tour, as well as customer focus content, where participants underwent on-site training with quality, production, and innovation teams. Additionally, the sales team learned more about the factory expansion carried out in recent years, such as the new yarn storage warehouse and the expansion of the knitting mill.

The convention featured Richard Stad, CEO of Aramis, who spoke about reinvention and focus, as well as presenting product launches and a new perspective on our portfolio.

CHAPTER 4
PRODUCTS

Our business

[GRI 2-6]

Sportswear

Beachwear

Underwear

Lifewear

We are a performance-driven organization. Therefore, we offer production lines that meet our customers' diversified needs, combining comfort, elegance, and sustainability.

We blend tradition and trust with technology and innovation, always staying close to those also driven by performance.

Our Technologies

HIGHCLO:
It is three times more durable than conventional elastane, resistant to chlorine and seawater, offering perfect drape and maintaining the garment's shape..

DURABILITY:
High-performance fabrics that maintain quality and strength even after multiple washes and intensive use.

ANTIMICROBIAL:
Prevents odors caused by perspiration, providing comfort and extending the garment's lifespan, and is hypoallergenic and environmentally friendly.

AIR:
Enhances ventilation and breathability, facilitating sweat evaporation and regulating body temperature for greater thermal comfort.

DRY:
Accelerates sweat evaporation, keeping the body dry and temperature regulated, ensuring freshness, comfort, and enhanced performance.

DOES NOT WRINKLE:
With the Does Not Wrinkle seal, fabrics are designed to maintain an impeccable appearance even after prolonged use, ensuring practicality by eliminating the need for frequent ironing.

EASY CARE:
Easy Care fabrics are engineered to simplify the care and maintenance of garments. By resisting wrinkling and reducing the need for special treatment, this seal guarantees both convenience and comfort.

THERMAL:
Fabrics equipped with thermal technology help maintain balanced body temperature, providing comfort in a variety of climatic conditions.

SOFT FEEL:
Characterized by a velvety texture, Soft Feel fabrics deliver extra comfort to the skin, making them ideal for garments that require a gentle feel upon contact.

SUPER LIGHT:
Indicates fabrics with reduced weight that still uphold quality and durability. Ideal for comfortable, high-performance garments, they offer lightness without compromising strength.

Our Technologies

UV PROTECTION:
Offers high-level solar defense, blocking up to 98% of UVA and UVB rays to ensure comfort and safety during outdoor activities.

TOTAL OPACITY (HIGH COVERAGE):
Fabrics with the Total Opacity seal provide high coverage and density, preventing unwanted transparency and ensuring confidence and comfort.

LOW TRANSPARENCY (LIGHT COVERAGE): This seal assures that fabrics exhibit low transparency even in lighter shades, keeping garments discreet and comfortable, not being see-through.

ENHANCED SUPPORT (MAXIMUM COVERAGE): Ensures maximum opacity even during high elasticity movements, making it ideal for sportswear garments.

BIELASTIC:
Indicates fabrics with bidirectional elasticity, providing both flexibility and a perfect fit, while offering freedom of movement, especially important in garments that demand mobility.

MEDIUM COMPRESSION:
Medium Compression fabrics deliver a supportive effect, ideal for garments that provide gentle hugging comfort without restricting movement.

HIGH COMPRESSION:
Reduces muscle vibration to minimize pain and fatigue during and after intense workouts, offering firmness for improved muscle recovery.

PLAIN:
Denotes fabrics with a smooth, texture free surface, providing a more elegant and sophisticated appearance.

TEXTURE:
Indicates fabrics featuring tactile reliefs, patterns, or embossed designs, providing a distinctive feel and a unique visual appeal to garments.

TexneoGreen:

Fabrics bearing the TexneoGreen seal are developed from sustainable raw materials and innovative processes that reflect our dedication to offering greener and more sustainable alternatives. The line is RCS certified, verifying the traceable origin of its raw materials throughout development.

Recycled Polyester

With our fabrics created from recycled PET bottles, we help reduce environmental impact. On average, 50 PET bottles are converted into yarn per kilogram of fabric.

In 2024, we contributed to the removal of 6.7 million PET bottles from the environment, which were transformed into 300,000 meters of fabric.

Bioamide

We utilize corn based vegetable biomass as a raw material for sustainable yarns, cutting CO2 emissions by 50% compared to conventional polyamide.

Recycled polyamide

Produced from industrial textile waste that is regenerated and spun into yarn. As a result, we ensured a cleaner process with reduced water, electricity, and CO2 consumption.

INK

We use mass-dyed yarns to deliver more intense color and superior fastness. In line with this process, we reduce water and chemical usage, preserving natural resources

Digital printing

Offers prints with vibrant colors and high photographic quality, without size limitations, using less water and ensuring both comfort and beauty in the garments.

In 2024, we saw a significant increase in billed volume and a rise in customers requesting the TexneoGreen line. Surpassing the previous year's results, the number of garments billed grew by 80%, reinforcing Texneo's commitment to investing ever more in sustainable products and processes.

	2024	Growth in the current year vs. previous year
Portfolio items	27	80%
Billed Volume (kg)	228,678	159%
Customers	388	40%

Value chain

[GRI 204-1, 308-1 and 308-2]

Our achievements and evolution are the result of shared commitments and the collective efforts of everyone who builds Texneo, including our suppliers.

Although we participate in a globalized chain, we value the local economy and strengthen these partnerships. Below is the distribution of our suppliers according to the proportion of company spending:
Reinforcing our ESG commitments, we select suppliers according to the following rules and requirements,

	2024
Import	46%
National purchases (other states)	15%
Local purchases (in Santa Catarina)	39%

namely:

- Signature of the Supplier Code of Conduct
- OEKO-TEX certification
- GRS (Global Recycled Standard) certification

Additionally, we conduct regular audits and on-site visits by customers and suppliers, reinforcing our best practices and dedication to sustainability.

CHAPTER 5

PROCESSES

Over the last few years, we have continuously refined our processes through intensive work by the technical area.

Some changes were implemented in the dyeing stage which, together with retrofits of strategic equipment, led to significant improvements, resulting in a marked reduction in water and energy consumption, both electricity and biomass in 2024.

In the following sections, we detail the initiatives and results achieved during the year, reinforcing our ongoing commitment to sustainability and innovation.

YEAR	WATER	ENERGY		WASTE	
	Liters water/kg of fabric	kWh/ kg of fabric	kg fibers / kg of fabric	kg of waste generated/ kg of fabric	kg of landfilled waste/ kg of fabric
2022	116.0	1.674	3.063	0.196	0.118
2023	120.9	1.666	3.024	0.234	0.159
2024	102.7	1.511	2.760	0.260	0.209

Water resources

[GRI 303-1, 303-2, 303-3, 303-4 and 303-5]

Water is a critical resource for the textile segment, being used primarily in the dyeing department, finishing and the boiler for steam generation.

Our water withdrawal continues to be sourced from the Itajaí-Açu River, undergoing a rigorous purification process at the Water Treatment Plant (WTP) before being distributed to the production sectors. This year, an important advance was the automation of the flow meters at the WTP and the Effluent Treatment Plant (ETP), providing more precise consumption readings and allowing for more efficient control.

In the dyeing sector, improvements were implemented in the dyeing processes and equipment retrofits, enabling more efficient water use.

Through new technologies and a continuous monitoring and improvement process, we achieved major process advancements in 2024, optimizing WATER consumption at each stage. At the same time, the retrofit of the dyeing machine allowed for the use of a lower volume without compromising dyeing quality.

As a result, it was possible to process more fabric using the same infrastructure and reduce the water required per kilogram (kg) produced, despite the increase in total water withdrawal due to production growth. These changes also positively impacted other indicators.

After use in industrial processes, the water goes to the ETP, where it undergoes an ozone treatment system, ensuring that discharged effluents meet the required environmental standards.

Energy

[GRI 302-1, 302-3, 302-4 and 302-5]

In 2024, we recorded a 13.8% increase in electricity consumption and a 15.3% increase in biomass consumption, resulting from production growth. However, efforts to optimize production processes yielded positive outcomes such as lower electricity and wood chip consumption per unit of fabric produced, with reductions of 9.9% and 8.7%, respectively.

Furthermore, we achieved greater efficiency of thermal heaters through equipment improvements and training to ensure proper regulation according to the biomass characteristics used, reducing unnecessary consumption.

ENERGY

Emissions

[GRI 305-1, 305-2, 305-4, 305-5, 305-6 and 305-7]

Greenhouse gas emissions (metric tons of CO2e)				
	2022	2023	2024	2024 with I-REC
Scope 1	969.47	1,049.04	884.41	884.41
Scope 2	436.38	418.44	674.00	-
Total	**1405.85**	**1,467.24**	**1,558.41**	**884.41**
Carbon Intensity	**0.226**	**0.230**	**0.193**	**0.110**

The same process improvement work that led to greater energy efficiency consequently also impacted greenhouse gas emissions.

We saw an increase only in Scope 2 emissions due to the higher electricity demand in 2024 as a result of production growth. However, our carbon intensity was 0.193 kg of CO2e per kg of fabric, 16% lower than the previous year.

Moreover, obtaining the I-REC Certificate ensured that 100% of the 12,442 MWh of electricity consumed in our 2024 operations originated from renewable sources. As a result, we zeroed out our Scope 2 emissions and further reduced our carbon intensity to 0.110 kg of CO2e per kg of fabric, 52% below the previous year.

Waste

[GRI 306-2, 306-3, 306-4 and 306-5]

Among Texneo's waste management practices is packaging offsetting through the EuReciclo program. Although there is no obligation for reverse logistics under the National Solid Waste Policy, we have invested efforts in this process due to our commitment to increasingly sustainable processes within the company.

Regarding waste, the primary cause of the increase in landfilled waste was the inefficiency of the sludge dryer. Increased production led to a corresponding rise in sludge generation, while unscheduled downtime of the dryer resulted in large amounts of liquid, wet sludge being sent to landfill.

Even so, we recognize that there is room for improvement in recycling processes. Therefore, Texneo invested in implementing its own Waste Center to enhance the company's separation and waste allocation.

The inauguration took place in the last quarter of 2024, reinforcing our commitment to improving these indicators in the coming years.

WASTE

Innovation

We have invested in innovative processes and products as a growth strategy. Operating both internally and externally, we actively participate in organizations and activities in support of this topic. Learn more about the actions in 2024:

Innovation Ecosystem

Conecta AMVE

We are ambassadors in the movement managed by the Centro de Inovação Blumenau and the Associação de Municípios do Vale Europeu, which aims to foster connections among innovation stakeholders in the region.

In 2024, we co-organized the Digital Transformation Event, which addressed the challenges of digitalization with entrepreneurs and employees from Indaial and the surrounding region.

MEI Up

We participate in the Sebrae program that helps microentrepreneurs structure their businesses and position themselves in the market.

Eixo Governança Têxtil Blumenau (Blumenau Textile Governance Axis)

In addition to participating in the group's activities, we supported the organization of the INOVA Textile event during Oktober Tech Week.

SC Angels

Our participation aims to bring Texneo closer to

Grupos de Melhorias Contínuas (Continuous Improvement Groups)

The program aims to democratize access for all employees to propose ideas and projects aimed at improving processes and products.

In 2024, it underwent restructuring to increase engagement, number of participants, and proposals. In this process, a temporary group modality was created to simplify project initiation.

Additionally, idea submission stations were set up on the factory floor through an ideas box. The objective of this new format was to initiate improvement dialogue simply and efficiently.

In total, we had 15 groups, 12 projects, and 22 improvements under the "see and act" modality, which covers targeted actions with significant impact on the company.

Partnership with CNPq

Project: Development of new dyeing methods and processes to increase precision levels in the reproducibility of polyamide knitting fabrics.
Partner: CNPq (National Council for Scientific and Technological Development) through CNPq/MCTI/SEMPI Call No. 021/2021 RHAE – Human Resources in Strategic Areas Researcher in Business.

As reported previously, the project focuses on increasing reproducibility rates in polyamide knitting fabric production. In 2024, the project completed all seven planned stages without exhausting the allocated resources. Due to these savings, it was possible to request an extension, adding a stage to verify the quality of dye raw materials. This additional deliverable has a final deadline of May 2025 and is supported by the Federal University of Santa Catarina (UFSC) for the testing phase.

With a dedicated board, the New Business area aims to generate value in the value chain through products and services to professionalize stakeholders in the apparel industry. The area works on Horizon 1, 2, and 3 innovation projects, seeking to protect and expand current businesses (H1), nurture emerging new businesses (H2), and seed options for the near future (H3).

Among the projects led by this area, we highlight Texplay. The collaborative platform offers educational solutions for the apparel industry and has a strategic vision to lead education in this industry, empowering small and medium-sized businesses and their professionals to drive the evolution of the Brazilian fashion market.
Texplay is a community focused on educating the textile ecosystem, drawing on knowledge shared by various professionals and brands in the industry. Therefore, its slogan is "Made by those who make it happen."

In 2024, "IA na Moda Texplay," the first artificial intelligence course focused on fashion, was launched, and the First Brazilian Textile Quality Forum was held, bringing together major brands such as Adidas, Renner, Riachuelo, Reserva, Grupo NV, Kyly, Texneo, Lunelli, and others for an immersion in best practices and innovations on this

texplay®

Learn more about Texplay.

Information Security

[GRI 418]

We maintain an ongoing commitment to privacy and data protection, ensuring that in 2024 — as in the previous year — no incidents related to these matters were recorded.

This outcome reflects the rigorous work conducted by the Data Privacy Committee, supported by a specialized legal consultancy. The company continues refining its compliance practices under the General Data Protection Law (LGPD), ensuring its operations remain aligned with the best information security guidelines.

Clear and accessible communication with stakeholders is a priority. Texneo hosts an institutional section on its website to provide relevant company information. Access at: https://www.texneo.com/br/institucional/

CHAPTER 6

VISION OF THE FUTURE

What's ahead

The year 2025 will be marked by growth, innovation, and the strengthening of Texneo's strategic foundations. Faced with a challenging backdrop in Brazil and worldwide, the company upholds its commitment to sustainability, production process safety, and the delivery of products that meet market expectations.

Next year's strategy will be guided by attentive listening to consumer demands and a continuous pursuit of solutions that unite technology, efficiency, and socio-environmental responsibility.

Texneo recognizes that the textile industry's future is directly tied to innovation and the adoption of ever more sustainable practices.

Therefore, the investments planned for 2025 will align with this vision, including expanding the range of sustainable products and enhancing production processes to make them even safer and more efficient. In doing so, the company reinforces its commitment to a business model that balances economic performance with a positive society impact.

The year 2025 also focuses on planning for the next decade, defining the company's strategy for the coming years. ESG remains a fundamental strategic pillar, not just as a commitment, but as a competitive advantage to drive new business and strengthen Texneo's global presence.

More than merely meeting regulations, the company views ESG as essential for innovation, sustainable growth, and market differentiation, consolidating its future vision based on responsibility, quality, and continuous innovation.

Acknowledgments

The preparation of this report reflects the commitment and dedication of our team and partners, who work with excellence to strengthen transparency and sustainability in our operations. Each contribution was fundamental to clearly and responsibly demonstrate Texneo's impact and progress.

Our gratitude extends to all stakeholders in this journey: shareholders, board members, employees, suppliers, and associations, whose work and trust help consolidate our values and drive our growth.

Over these 30 years, we have learned that success is only truly meaningful when shared. Therefore, we remain steadfast in our mission to innovate with purpose, inspire positive change, and build a more sustainable future for all. We are ready for the challenges that lie ahead, facing them with the same passion and commitment that have driven us this far.

Thank you, everyone who is part of this history. Together, we continue transforming challenges into opportunities and building a legacy of positive impact for the next generations!

Francisleine Tomazoni Axt
ESG Manager at Texneo and President of the Instituto Texneo

ANNEXES

Annex of GRI Indicators

GRI 2-7 and 405-1: Employees and Diversity

Race/Ethnicity OVERALL - 2022, 2023 and 2024

	2022	2023	2024
White	377	390	454
Black	25	23	26
Mixed-race	70	48	50
Total	**472**	**461**	**530**

GENDER OVERALL - 2022, 2023 and 2024

	Male	Female
2022	347	129
2023	335	126
2024	389	141

Race/Ethnicity LEADERS - 2022, 2023 and 2024

	2022	2023	2024
White	26	34	41
Black	0	0	0
Mixed-race	0	0	1
Total	**26**	**34**	**42**

GENDER LEADERSHIP - 2022, 2023 and 2024

	Male	Female
2022	15	11
2023	20	14
2024	23	19

Age group – OVERALL	2022	2023	2024
Employees under 30 years	194	163	178
30 to 50 years	236	250	292
Over 50 years	46	48	60

General Education Level – 2024		
Postgraduate/Specialization - Completed	13.58%	72
Higher education - Completed	10.75%	57
Higher education - Incomplete	9.25%	49
Technical education - Completed	2.26%	12
Technical education - Incomplete	1.51%	8
High school - Completed	41.89%	222
High school - Incomplete	9.43%	50
Elementary education - Completed	7.17%	38
Elementary education - Incomplete	4.15%	22

Sexual Orientation, OVERALL – 2024*		
Sexual orientation	**Number of employees**	
Heterosexual	240	86%
Homosexual	7	3%
Not specified	5	2%
Bisexual	2	2%
Prefer not to disclose	20	7%

*Data collected through self declaration in the GPTW survey, conducted in October 2024 with 61% of employees.

GRI 401-1: Employee retention

Employee retention in the first year of the company			
Area	**2022**	**2023**	**2024**
Administrative Area	80%	65%	81%
Production Area	68%	50%	57%

Turnover (Overall)			
Area	**2022**	**2023**	**2024**
All	2.0%	2.1%	2.4%

GRI 401-3: Maternity/paternity leave

Year	Type of leave	Men	Women	Total
2022	Started leave	13	8	21
	Returned from leave	13	8	21
2023	Started leave	12	5	17
	Returned from leave	12	5	17
2024	Started leave	10	5	15
	Returned from leave	10	5	15

GRI 403-9: Occupational accidents

Safety Indicator	2022	2023	2024
Accident Frequency Rate (%)	1.2619	1.0819	1.1507
Accident Severity Rate (%)	0	0	0.12
Accident Frequency Rate (%)	5.7	4.9	5.02
Days Lost Due to Accidents	66	56	45
Accident Prevention Factor (FAP)	1.2941	1.047	1.0491

GRI 204-1: Purchasing practices

Distribution of our suppliers according to the proportion of company spending:

Safety Indicator	2022	2023	2024
Import	58.43%	45.24%	46%
National purchases (other states)	10.64%	20.23%	15%
Local purchases (in Santa Catarina)	30.93%	34.52%	39%

GRI 2-6: Products

History of the TexneoGreen Line				
	2022	**2023**	**2024**	**Growth**
Portfolio items	13	15	27	80%
Recorded Sales Volume (kg)	28188	88182	228678	159%
Number of Customers	199	278	388	40%

GRI 303-3, 303-4 and 303-5: Water resources

Indicator	2022	2023	2024
Total network water (m^3)	3,665	4,366	5212
Total river water (m^3)	716,695	766,924	822,863
Water consumption per kg of fabric (L/kg)	**116.0**	**120.9**	**102.7**
Total effluent discharge (m^3)	637,859	682,562	638,830

GRI 302-1, 302-3, 302-4 and 302-5: Energy

Indicator	Unit	2022	2023	2024
Electricity consumption	kWh	10,398,295	10,630,290	12,181,270
Electricity per kg of fabric	kWh/kg	1.674	1.666	1.511
Biomass consumption	kg	**19,020,600**	**19,298,750**	**22,246,750**
Biomass per kg of fabric	kg/kg	3.063	3.024	2.760

GRI 305-1, 305-2, 305-4, 305-5, 305-6 and 305-7: Emissions

Greenhouse Gas Inventory

	2022			2023			2024		
	Emissions CO2e (t)	Biogenic CO2e emissions (t)	Total CO2e emissions (t)	Emissions CO2e (t)	Biogenic CO2e emissions (t)	Total CO2e emissions (t)	Emissions CO2e (t)	Biogenic CO2e emissions (t)	Total CO2e emissions (t)
Scope 1	**969.47**	**27,951.77**	**28,921.25**	**1,049.04**	**29,540.81**	**30,589.85**	**884.41**	**25,900.63**	**26,785.04**
Stationary combustion	593.52	27,950.36	28,543.87	622.43	29,539.03	30,161.46	504.98	25,890.89	26,395.87
Mobile combustion	10.59	1.42	12.01	12.59	1.78	14.37	3.82	9.74	13.56
Liquid effluents	364.26	-	364.26	395.26	-	395.26	332.00	-	332.00
Fugitive emissions	1.11	-	1.11	18.76	-	18.76	43.62	-	43.62
Scope 2	***436.38***	**-**	**436.38**	**418.20**	**-**	**418.20**	**-**	**-**	**-**
Purchased electricity	436.38		436.38	418.20		418.20	674.00	-	674.00
I-REC	-						-674.00	-	-674.00
Total	**1406**	**27,952**	**29,358**	**1,467**	**29,541**	**31,008**	**884**	**25,901**	**26,785**
Carbon Intensity	**0.226**			0.230			**0.110**		

GRI 306-2, 306-3, 306-4 and 306-5: Waste

WASTE						
YEAR	Waste Generated (kg)	kg of waste generated/ kg of fabric	Recycled waste (kg)	kg of recycled waste/ kg of fabric	Landfilled waste (kg)	kg of landfilled waste/ kg of fabric
2022	1,214,913	0.196	482,332	0.078	732,581	0.118
2023	1,490,619	0.234	474,945	0.074	1,015,674	0.159
2024	2,097,635	0.260	412,475	0.051	1,685,160	0.209

Types of waste and disposal technologies employed:

CLASS 2B WASTE		
Waste	Description	Technology
Compactable Waste	Dry Waste (Non-recyclable, non-organic)	Landfill
Textile Waste	Fabric scraps and knit selvage	Recycling
Plastic Packaging	Chemical product packaging	Recycling
Metal Packaging	Chemical product packaging	Recycling
Cardboard	Cardboard boxes	Recycling
Plastic	Clean plastics	Recycling
Metal Scrap	Uncontaminated iron and steel scrap	Recycling

WASTE CLASS 2 A		
Waste	Description	Technology
Boiler Ashes	Boiler and Heater Ashes	Landfill
Wet Sludge	Dry Sludge from ETP	Landfill
Dry Sludge	Dry Sludge from ETP	Landfill
Compactable Waste	Dry Waste (Non-recyclable, non-organic)	Landfill
Lamps	Lamps	Decontamination

CLASS 2B WASTE		
Waste	**Description**	**Technology**
Paint Sludge	Paint/Solvent Cans	Landfill
Contaminated Solids	Cans/Waste/Rags/Fabric Soiled with Paint, Solvent, Oil	Landfill
Aerosol Waste	Aerosol Spray Packaging	Landfill
Batteries	Batteries	Encapsulation
Glass Wool/Rock Wool	Glass Wool/Rock Wool Used in Insulation	Blending
Engine, Lubrication, and Contaminated Oil	Contaminated Oil	Landfill
Glassware	Dye Laboratory Glassware	Landfill
Lamps	Lamps	Decontamination

Explanatory Notes

[GRI 2-4]

In 2024, we conducted a detailed review of the methodology for accounting electricity consumption. Erroneously, for the purpose of greenhouse gas emissions inventory, energy values recorded by the distributor were considered in addition to those contracted in the free energy market, resulting in duplication. The table above also considers the revision of previous years.

Additionally, we made adjustments to the volume of recycled waste. Knit selvages and fabric scraps were previously erroneously reported as industrial waste when, in fact, they are sold as by-products for other textile applications and, therefore, are not included in our Waste Movement Declaration (DMR).

GRI Standards Summary

GRI	Nomenclature	Page
2-1	Organization details	3, 6
2-3	Reporting period, frequency and contact person	3
2-4	Information restatements	70
2-6	Activities, value chain and other business relationships	6, 47, 67
2-7	Employees	26, 65
2-9	Governance structure and composition	12
2-10	Nomination and selection for the highest governance body	12
2-11	Chairman of the highest governance body	12
2-12	Role of the highest governance body in oversight of impacts	12
2-13	Delegation of responsibility for impact management	12
2-16	Communication of critical concerns	16
2-19	Remuneration policies	30
2-22	Declaration on sustainable development strategy	4
2-23	Policy commitments	23
2-28	Participation in associations	43
3-1	Process for determining material topics	20
3-2	List of material topics	20
204-1	Proportion of spending on local suppliers	51, 67
207-1	Approach to tax	17
207-2	Governance, control and risk management in tax	17
207-3	Stakeholder engagement and management of tax-related concerns	17
302-1	Energy consumption within the organization	55, 68

Customer privacy	Details	Page
302-3	Energy intensity	55, 68
302-4	Reduction of energy consumption	55, 68
302-5	Reductions in energy requirements of products and services	55, 68
303-1	Interactions with water as a shared resource	54
303-2	Management of water discharge-related impacts	54
303-3	Water withdrawal	54, 67
303-4	Water discharge	54, 67
303-5	Water consumption	54, 67
305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	56, 68
305-2	Energy indirect (Scope 2) greenhouse gas (GHG) emissions	56, 68
305-4	Greenhouse gas (GHG) emissions intensity	56, 68
305-5	Reductions of greenhouse gas (GHG) emissions	56, 68
305-6	Emissions of ozone-depleting substances (ODS)	56, 68
305-7	Emissions of NOX, SOX and other significant air emissions	56, 68
306-2	Management of significant waste-related impacts	57, 69
306-3	Waste generated	57, 69
306-4	Waste not destined for final disposal	57, 69
306-5	Waste destined for final disposal	57, 69
308-1	New suppliers selected using environmental criteria	51
308-2	Negative environmental impacts in the supply chain and actions taken	51
401-1	New employee hires and employee turnover	26, 66

GRI Standards Summary

Customer privacy	Details	Page
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	31
401-3	Maternity/paternity leave	66
403-1	Occupational health and safety management system	33
403-2	Hazard identification, risk assessment and incident investigation	35
403-3	Occupational health services	33
403-5	Worker training on occupational health and safety	33
403-6	Promotion of worker health	33
403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	33
403-8	Workers covered by an occupational health and safety management system	33
403-9	Occupational accidents	35, 67
403-10	Occupational illnesses	33, 35
404-2	Employee skill development and career transition assistance programs	32
405-1	Diversity of governance bodies and employees	26, 65
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	36
413-1	Operations with local community engagement, impact assessments and development programs	37
418	Customer privacy	60

Credits

Report coordination
Texneo ESG Committee

Consulting and Reporting
Konexio Consulting

Graphic Design and Layout
Texneo Marketing

Review
Texneo Team

Photos
Texneo Collection

Administrative Headquarters
Têxtil Farbe SA
Rua Dr. Blumenau, nº 7625, Bairro Encano
Indaial - SC

texneo
www.texneo.com