Sustainability Report 2023

texneo
moved by performance

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CHAPTER 1

INTRODUCTION

About the Report [GRI 2-3]

Texneo wishes to present its third annual Annual Sustainability Report, which comprises the main tool used by the company for reporting on environmental, social and governance indicators for the period between January 1, 2023 and December 31, 2023.

This report was developed by the ESG Committee and seeks to present, in a transparent manner, initiatives carried out throughout the year, performance under social, environmental and governance parameters, as well as the impact of these initiatives.

Texneo's Sustainability Report was prepared based on **GRI** Disclosures, implementing metrics aligned with sustainability parameters used worldwide. **GRI indexes** are indicated next to the heading of each section of this document, presenting a parallel for each initiative at Texneo relative to its respective theme.

At Texneo, ESG practices are integrated into the company's long-term strategy and disseminated throughout the organization based on management's vision for the future. In order to coordinate and engage employees in this context, the ESG Committee was structured based on established guidelines with support from senior management.

This report demonstrates how these efforts benefit not only Texneo's employees, but also Texneo's customers, suppliers, partners, investors, communities and other stakeholders. By presenting the positive results achieved in 2023 and the commitments made for upcoming year, the report seeks to continuously represent improvements made both at the company and within its value chain.

Information, questions or comments regarded this report may be sent to the following contacts:

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GRI (*Global Reporting Initiative*) is an international organization that establishes guidelines for sustainability reporting, promoting transparency and corporate social responsibility. These guidelines provide a global standard that organizations may use to provide notice of their impact in a consistent and comparable manner over time, allowing their sustainable commitments to be better understood.

Message from the CEO [GRI 2-22]

2023 saw the reinforcement of our vision of sustainability as an essential ally in keeping our business competitive and it is for this reason that we have invested energy and resources into our ESG Journey. We developed our materiality matrix to ensure that the next steps take are strategic and we will be able to continue to develop along this trajectory. Additionally, we have expanded the theme of sustainability beyond the company's senior management, including leaders from various department in dialogs and initiatives.

And we are placing increasingly value in our greatest asset: our people. For this reason, we consistently promote initiatives aimed caring for and recognizing our team, in addition to promoting healthy relationships with our suppliers and investing in community development. Our objective with these initiatives is to higher a quality of life for all.

And we know that caring for the planet is a key part of these efforts. We are therefore committed to reducing impacts on the environment through means of changes and improvements. We are making significant investments **in technology and innovation** to ensure that our business is increasingly sustainable.

2023 was a year of great challenge, but also one that saw key achievements and an expanded learning process. We are currently experiencing a period marked by major events and adversities in both the political and economic spheres that directly impacted our ecosystem and the market as a whole. However, despite such challenges, Texneo presented great resilience and determination throughout 2023. This is because Texneo **is always on the move and is driven by performance.**

Both change in government in Brazil and conflicts in other countries have had a significant impact on our business, requiring that we make decisions and adapt quickly to an ever-changing global environment. However, transformation and a desire to improve with each day are part of Texneo's identity. These were the guiding principles that marked 2023.

In short, we seek to face challenges head on since we understand that the change we desire starts with each and every one of us. We also understand that together we are able to reach new heights. In 2023, we strengthened our relationships with the ecosystem, participating in business initiatives and associations that strengthened collective efforts in this area.

"We have assumed a pioneering role in relation to our market, inspiring and guiding other companies with regards to ESG. We seek to continue collaborating as part of a wide-ranging network to promote transformation and sustainability"

In 2024 Texneo will be celebrating its 30th anniversary and remains firm in pursuing our objectives in a manner guided by the company's key values.

I wish to thank every employee, customer, partner and the community as a whole for their dedication and commitment throughout this year. Together, we have been able to overcome any obstacle and achieve great things.

Ricardo Axt
CEO Texneo

CHAPTER 2
TEXNEO

Who We are [GRI 2-1 and 2-6]

Têxtil Farbe S/A, known commercially as Texneo, is a well-renowned company active in the clothing industry, most notably in the manufacture of knits for several product lines, including *sportswear*, *beachwear, underwear* and *lifewear*. Texneo maintains global operations and is present in 17 countries, serving a base of more than 3,000 customers.

Our approach is guided by a high level of innovation, excellence and transparency, principles that guide all of the company's activities. We are passionate about colors, design and textures, elements that inspire us with each new collection. Texneo's strategy involves translating global trends into modern and efficient products, providing the most advanced products within the textile market.

To achieve these goals, we maintain a high-tech industrial park, located in Indaial in the Vale do Itajaí region in Santa Catarina (SC). Our facility has a total area of 29,000 m² and includes an industrial loom unit that is an industry reference in Latin America, consolidating our leadership in the sportswear market.

Texneo is a privately-held Corporation, governed by its articles of incorporation and applicable legal provisions. Our share capital consists exclusively of shares of common stock, each of which gives the respective shareholder the right to vote in resolutions made at the company's Annual General Meeting.

Industrial park:
29,000 m²

Employees:
459 people

Exports:
17 countries

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

Business
Generate solutions for the clothing industry.

Mission
Fostering a vibrant ecosystem within the clothing industry, generating sustainable results.

Vision
Establish Texneo as the solutions platform most used by professionals within South America's clothing industry.

Values
- Put the customer at the center of everything we do.
- Innovate in the present to held build the future.
- Always act with a high level of respect and attention to ethics.
- Promote a sense of ownership among teams and leave them with a sparkle in their eyes.
- Act with a sense of environmental, social and economic responsibility.

Certifications and Recognition [GRI 2-23]

Texneo has been awarded certificates of excellence in processes and safety, which attest to the company's commitment to complying with laws and legal regulations, in addition to demonstrating best practices in employee health and safety, strengthening culture, performance and innovation through a trust-based approach.

ABVTEX Gold Certificate

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

GPTW

GPTW *(Great Place to Work)* certification recognizes organizations that offer an exceptional work environment, valuing employee trust, partnerships, and personal and professional development.

Oeko-Tex

Independent international certification system that guarantees that products and substances harmful to health are not used at any stage of textile processing. This seal certifies 100% of Texneo's products.

Empresa Amiga do Trabalhador ("Worker Friendly Company")

Recognition granted by the Health Department in the municipality of Indaial/SC for offering integral support for employee health.

We are SDGs

Seal from signatories of the SDG Santa Catarina Movement.

Qualifica Mais Indaial

Qualifica Mais Indaial is a program involving entities, government authorities and educational institutions aimed increasing levels of education and technical training, providing professional qualifications and filling job vacancies at companies.

Our Story

1994

Initial production at Farbe.

Purchase of the first loom installed in family's home.

1997

Construction of first knitting unit.

2001

Increase in production capacity up to 200 tons per month.

2002

Start of exports to Argentina.

Construction of first dyeing plant.

2005

Expansion of plant and consolidation of knitting, dyeing and shipping departments.

2009

First ConFarbe - Sales Convention held.

2010

Construction of new shipping area.

2012

Structuring and implementation of FDC's PAEX model.

2015

Implementation of e-commerce.

Strategic review of *Sportswear, Beachwear, Underwear* and Lifewear *markets*.

2016

Texneo enters North American and African markets.

Purchase of the first digital screen printing machine.

Maxxi inaugurated.

2017

Company name changed from Farbe to Texneo, which stands for TEX - textile + Neo – new, innovation;.

Jacquard industrial loom enters into production.

First ABVTEX certification received.

2018

Texneo enters European market.

New branch Installed to expand production capacity.

2020

One of Brazil 's most modern knitwear stores inaugurated.

2021

Launch of TexneoGreen, a series of greener textile procedures.

Creation of the Green line of sustainable products.

2023

Production capacity increased to 700 tons per month.

What We Do

Texneo's production process begins with the selection and arrival of different textile yarns, which are stored under ideal conditions to preserve their respective properties up until use.

During the weaving process, yarns are transformed into fabrics using circular looms, shaping them into a continuous and uniform knit.

After weaving, fabrics are sent through the dyeing or screen printing process, depending on the specifications of the final product. During the dyeing process, fabrics are treated with solid colors, using techniques that guarantee the uniformity and durability of colors. During the screen printing process, fabrics are given patterns and designs that are applied with precision

The next step involves finishing, which provides fabrics' final characteristics, such as their touch, shine and dimensional stability, among other properties.

Our production process develops rolls of knits that are carefully inspected to ensure they meet the strictest quality standards before being packaged and shipped to our customers.

Our Governance Practices [GRI 2-9, 2-10, 2-11 and 2-15]

Texneo's Corporate Governance plays a fundamental role in guiding strategic decisions and guaranteeing transparency and accountability throughout all operations.

The composition of Texneo's governance bodies reflects our commitment to gender diversity, seeking to achieve a balanced representation between men and women. Texneo's governance structure and its composition demonstrate a commitment to transparency, integrity and corporate responsibility, which are fundamental to our company's long-term sustainable success.

Corporate Governance Structure

- Family Council
- Advisory Board
- Shareholders' General Meeting
- Executive Board
- Committees
- Strategic and operational management

Advisory Board

Texneo's Advisory Board comprises executive and non-executive members and guarantee a wide variety of perspectives and a balanced approach to decision making. This Board is supported by specialized Committees, such as the People, Sustainability, Growth and Strategy Committee and the Risk and Audit Committee, which play a key role in overseeing and guiding our corporate policies and practices.

The Advisory Board's diverse and inclusive composition guarantees as sense of balanced and independent governance. Additionally, certain members of both the Board and the Committees are independent, thereby ensuring that decisions are made free of external influences or conflicts of interest. These independent members serve specific mandate of up to 2 years that are renewable for an additional period, thereby ensuring continuity and renewal of leadership.

Members of the Advisory Board 2023

Members:
Ricardo Axt (CEO)
Fabrício Axt (Vice President)

Executive Board:
Anna Paula Tarnowski Figueredo Molin
Carla Cassiana Brandão Schork
Eduardo Luiz Schwarz
Juan David Gómez Valencia

People:
Janaina Schaefer

Independent:
Sandro Magaldi
Sérgio Simões

Secretariat:
Michelli Resendes

The chair of Texneo's Advisory Board also holds the position of senior executive at our organization. This duality offers significant benefits both in terms of strategic alignment and management efficiency. However, we also recognize the need to implement measures to prevent conflicts of interest.

This accumulation of the CEO's duties occurs due to the current governance structure, which continues to center on an Advisory Board, while we seek to improve the level of maturity in management. To address this issue, we have initiated a succession process for the position of CEO role and implemented additional measures to prevent and mitigate conflicts of interest. This includes the designation of an independent vice president and the creation of specific Governance Committees to assist with our CEO's decisions, together with the transparent disclosure of relevant information.

Committees

Committee members hold a limited number of important positions and commitments, ensuring that they can devote the necessary time and attention to their responsibilities at the organization.

Committee Members 2023

People Committee:
Executives: Janaina Schaefer, Anna Paula Tarnowski Figueredo Molin, Francisleine Tomazoni Axt
Independent: Livia Mandelli and Jussara Dutra

ESG Committee:
Executives: Francisleine Tomazoni Axt, Janaina Schaefer, Michelli Resendes
Independent: Luiz Gustavo Ortega

Growth and Strategy Committee:
Executives: Carla Cassiana Brandão Schork, Eduardo Luiz Schwarz
Independent: Mauro Fistarol

Risk and Audit Committee:
Executives: Eduardo Luiz Schwarz, Vinícius Duarte da Silva, Michelli Resendes
Independent: Sérgio Simões

In addition to maintaining internal structure made up of independent members, Texneo also performs an external audit with Ernst & Young, which is described in detail in the 'processes' section.

Ethics [GRI 2-16]

Ethics is a fundamental foundation of sustainable business and is intrinsically linked to Texneo's corporate culture. Therefore, at Texneo, we maintain a formal system that includes safe and confidential ethics hotlines allowing employees and other stakeholders to provide anonymous reports. To guarantee the integrity and proper handling of concerns raised, we established Texneo's Ethics Committee, which is made up of impartial members.

This committee holds bimonthly meetings, during which it evaluates and forwards resolutions on concerns raised, promoting a fair and ethical work environment. Themes addressed are recorded and stored in an area reserved for the Committee.

These initiatives demonstrate our commitment to ethical leadership within the industry, ensuring Texneo remains at the forefront of corporate responsibility and sustainability. Our Ethics Committee is committed to providing a fair and respectful work environment where all members of our organization feel valued and safe. The pillars of action for this area are shown below:

Strengthening the Ethical Culture

Our commitment to ethics is an essential pillar under Texneo's ideology and is reflected in our daily practices.

Transparency and Accountability

We promote transparent governance through our ethics hotlines, thereby ensuring that all employees feel safe in voicing their concerns.

Employee Engagement and Feedback

We regularly collect feedback from our employees in order to continuously improve our ethical policies. We maintain open dialogues, reinforcing our commitment to responsible business practices and the importance of aligning initiatives with corporate values.

CHAPTER 3
ESG JOURNEY

Our ESG Journey [GRI 2-22]

The term "ESG" encompasses together three pillars that guide responsible performance among organizations worldwide: environmental, social and governance-related aspects.

At Texneo, we began investing in these pillars long before the term became popular. For several years, we have been guided by the UN's Sustainable Development Goals, which bring together global targets aimed at building a better planet.

Texeno's ESG Committee was established in 2014 and has been integrating sustainability into our business strategy ever since. We consider sustainability and business strategy to be synonymous with one another. This is particularly important given that our objective is to foster a vibrant ecosystem within the clothing industry and generate sustainable results.

For this reason, Texneo has been making further investments in our ESG Journey, which is only possible with the participation and engagement of the company's entire ecosystem. In addition to our employees, customers, partners and the community as a whole, we seek to be an example and inspire other organizations, ensuring that we are able to reach new heights together.

Materiality [GRI 3-1 and 3-2]

One of Texneo's main achievements in 2023 was finalizing the company's materiality matrix. Texneo's materiality matrix is a tool that helps identify and prioritize environmental, social and governance issues most relevant to the organization.

Within this context, defining this matrix highlights Texneo's commitment to consolidating its ESG performance and improving its business strategy.

This process was a collaborative effort in which input was received from several different stakeholders. In all, 91 individuals were involved in the matrix's active listening process, which included 9 interviews and an online questionnaire, applied according to the following data:

66%
valid responses

Priority groups:
Customers
Employees
Suppliers Financial institutions
Representatives
Associations
Project and research partners

Texneo's Materiality Matrix

Materiality Matrix Results

1 Talent Attraction, Development and Retention
2 Biodiversity
3 Local Communities
4 Human Rights
5 Diversity, Equity and Inclusion
6 Climate Strategy
7 Supplier Management - Environmental Aspects
8 Supplier Management - Social aspects
9 Waste Management
10 Risk Management
11 Economic and Financial Management
12 Energy Management
13 Governance, Transparency and Integrity
14 Innovation
15 Privacy and Information Security
16 Sustainable Products
17 Water Resources
18 Workplace Health and Safety

OBJETIVOS DE DESENVOLVIMENTO SUSTENTÁVEL
17 OBJETIVOS PARA TRANSFORMAR O NOSSO MUNDO

Using this matrix, it was possible to correlate our material themes with the UN's Sustainable Development Goals.

MATERIAL THEMES	SDGs
Talent Attraction, Development and Retention	4, 5, 8, 10
Local Communities	17, 8
Economic and Financial Management	8
Energy Management	7, 13
Supplier Management - Social and Environmental Risks	8, 9, 10, 12, 13
Waste Management	12
Risk Management	8, 9, 16
Governance, Transparency and Integrity	12, 16
Innovation /Sustainable Products	8, 9, 12
Water Resources	6, 12

Guiding principles:

Using our materiality matrix, we created our Sustainability Strategy, which is based on three fundamental pillars and also serve to guide the content of this report: People, Processes and Products.

These pillars represent our commitment not only to business excellence, but also to social and environmental responsibility.

People

Texneo considers the company's employees, customers and the community in which we operate to be our greatest asset. Investing in their well-being, diversity and development is essential to the success of our company.

Processes

We are committed to continuing to operate efficiently and responsibly across all business areas. Continuous improvement in processes, effective management of resources, and the minimization of environmental impacts are essential aspects of our approach to promoting long-term sustainability.

Products

Our commitment to sustainability extends to our products. We consistently seek out innovation and quality, aiming to meet not only the needs of our customers, but also standards for social and environmental responsibility.

Texneo believes that companies play a crucial role in building more just, inclusive, and sustainable societies. We therefore consider placing a priority in our people to be not only a necessity, but also a powerful tool in promoting social and environmental progress.

Is it our employees that drive innovation and reflect Texneo's corporate culture. We believe that our employees are the greatest ambassadors in terms of the company's values and mission. As a result, when addressing corporate sustainability issues, it is critical that employees be placed at the center. This chapter of our report highlights the importance of considering our employees when implementing key initiatives.

CHAPTER 4
PEOPLE

Our team [GRI 2-7 and 405-1]

Texneo is a product of its People.

Our employees' experiences and expertise drive innovation, productivity, and growth.

The level of diversity seen at Texneo offers daily insight into the idea of Human Beings' capacity for transforming people, thereby strengthening culture and organizational well-being.

We consistently apply good management practices that inspire and ensure Texneo's people is the company's greatest competitive advantage, offering development programs, new opportunities, and an approach based on professional growth.

Company profile 2023:

Overall gender

Overall ethnicity

Overall age group

Gender among leadership

Ethnicity among leadership

Our team [GRI 2-7 and 405-1]

Employees by gender over the last three years

Employees by ethnicity over the last three years

Foreign employees over the last three years

Employees by age group over the last three years

Diversity and Inclusion [GRI 406-1]

At Texneo, diversity and inclusion are fundamental pillars that reflect our commitment to business ethics and social responsibility. We actively address diversity and inclusion-related issues through our ESG Committee. Since 2023 this theme has been addressed by the Diversity & Inclusion Committee.

In 2023, Texneo launched its Diversity and Inclusion Policy, marking a significant step in our company's development. Since then, we have expanded implemented initiatives, implementing several strategies that promote an organizational culture that values diversity. Awareness programs, training, conversation circles and leadership engagement have been essential in strengthening the theme of inclusion at Texneo. We understand that the commitment of all hierarchical levels, particularly leadership, is fundamental to ensuring the effectiveness of these policies.

This year, the theme Diversity and Inclusion was the focus of the Internal Week for the Prevention of Workplace Accidents (SIPAT), under the slogan "Working Together for a Respectful and Healthy Workplace Environment". Workshops and onboarding were held throughout the company, highlighting the importance of diversity and inclusion within our workplace environment.

The next step will be to create Texneo's first affinity group, as a means of further promoting inclusion and representativeness at our company. There is still a great deal of progress to be made, but we are committed to making Texneo a diverse, attractive and truly representative environment within society.

It is important that we embrace differences, celebrate diversity, and work together to build a more welcoming and just future for all.

Click here to access Texneo's Diversity and Inclusion Policy

Texneo *Community* Campaign :

Bringing together purpose and innovation

Through a campaign carried out in 2022, Texneo launched a line of products that celebrates diversity. In 2023, during the second part of the campaign, **Texneo employees, presenting different profiles, body types, and stories, were invited** to represent the diversity our company's identity.

The team then responded to the question **"What does Community mean to you?".** Responses were printed on posters used in the campaign as well as the brand's common areas.

One of the most striking characteristics of this initiative was its approach, which moved beyond fashion standards, with participation from 60+ models presenting different characteristics, in addition to the company's own employees. By empowering these individuals, Texneo reinforced a sense of belonging and community, strengthening ties between employees and inspiring a sense of pride and identification with the company's values.

According to data from the Brazilian Institute of Geography and Statistics (IBGE), diversity among the Brazilian population is an increasingly evident reality and the country is truly a mosaic of different ethnicities, ages, gender identities, and body types that enrich our society. Inspired by this principle, Texneo chose the *Community* theme as the core of its corporate message for 2023, highlighting the beauty and value of each individual, regardless of their age, gender or body type.

Texneo Collaborators in a photo from the company's *Community* Campaign – Part II

According to a survey conducted by the Brazilian Clothing Producers' Association (ABVTEX), the demand for brands that promote inclusion and diversity continues to grow, reflecting a paradigm shift within the textile industry. Within this context, Texneo's *Community* campaign truly leads by example in response to this emerging demand, recognizing that the true wealth of a community lies in its differences.

By highlighting the beauty and value of each individual, Texneo not only promotes diversity, but also positions itself as a pioneering company within the clothing industry. Finally, Community reflects an intelligent business strategy, aligned with the demands and expectations of an ever-changing society, allowing Texneo to better connect with consumers.

Sustainable Impacts:
Moving beyond fashion towards a more conscious future

Texneo's *Community* campaign is not only an expression of the company's values, but also a representation of society itself, a manifesto, and the brand's ESG commitment put into practice. As part of its market positioning, Texneo develops not only a brand, but a global community united by the purpose of promoting a textile ecosystem based on innovation and sustainable collaboration.

Images developed by Texneo employees as part of the company's *Community* campaign

Education and Development [GRI 404-2]

We encourage our employees to consistently seek out new opportunities for education and training. For this reasons, we make funds available for professional training, which are used for by entire team through recommendations from the respective managers, in addition to educational support.

Funding for professional training:
R$257,266.00

Study Bursaries:
R$75,591.00

Remuneration Policy [GRI 2-19]

Global Results Agreement

In line with objectives under each perspective established under the company's **Strategic Map,** CRG promotes transparency, recognition and a strong sense of shared responsibility among employees. Through means of shared indicators and strategic targets, each team member plays a crucial role in the organization's success and is rewarded for their contributions.

Compensation based on profit-sharing is a direct reflection of collective performance. Remuneration is distributed based on the achievement of 70% of the Operating and Net Income targets for all employees. This remuneration model, which is implemented every six months, emphasizes that each achievement is the result of joint efforts made by the entire team.

Texneo's organizational culture is based on the principle that the company's achievements are achievements of all. This fosters an environment of collaboration and cooperation, where each employee feels that they play a key role in the success of the organization and is encouraged to contribute with their best effort.

The Global Results Agreement goes beyond a simple remuneration system: it is a philosophy that permeates throughout our entire organizational culture, promoting the engagement, motivation and alignment of all employees with the company's objectives and values, which are detailed under our Strategic Map.

Benefits Policy [GRI 401-2, 403-3 and 403-6]

Texneo values its employees by offering a wide range of benefits to promote the well-being, health, professional development and quality of life among team members. These benefits contribute to a high level of engagement and satisfaction among employees and reflect the company's concern for its people.

Texneo Benefits

In-house restaurant;
Extendable family health plan;
Dental insurance;
Child Meal Allowance;
Daycare Allowance;
6-month Extended Maternity Leave;
20-day paternity leave;
Subsidy for the purchase of prescription lenses;
Life insurance;
Access to health professionals such as doctors, nutritionists, speech therapists, physiotherapists and psychologists at the company;
Professional development programs;
Texneo Emporium, a trusted market;
Texneo fruit market;
Health insurance accepted at pharmacies;
Payroll Loans;
Education assistance for undergraduate and graduate programs and technical and language courses.

Health & Wellness

In order promote a healthy work environment and support the complete development of each member of the Texneo team, we have implemented several initiatives through our Wellbeing Program.

It was designed to meet employees' health needs, offering free access to services during working hours, as well as a multidisciplinary team of specialized professionals, such as a clinical physician, physiotherapist, nutritionist, psychologist, and speech therapist. These professionals work both as part of individualized actions and according to collective awareness guidelines.

Additionally, we promote the Health and Safety Dialogues (HSDs), together with other training according to identified needs. Our approach also includes actions focusing on months for color campaigns, adhering to the national calendar and themes relevant to social inclusion, health and safety.

We have made a commitment and assumed responsibility for promoting awareness among our employees, highlighting the importance of each topic addressed.
We also promote conversation circles focusing on mental health and offer ongoing support to employees.
We also distribute fruits among employees and hold a fruit, vegetable and bread fair on Thursdays, in addition to offering products taken from the company's organic garden to encourage healthy eating habits.

We invest in Pause Islands, providing moments of rest in an air-conditioned environment with coffee and a library, aiming at employees' physical and mental recovery. The company also covers vaccination costs, in addition to offering rapid and sexually transmitted disease testing in partnership with Indaial's SUS public health facilities.

At Texneo, we are committed to promoting the health and well-being of our staff by guaranteeing a safe, inclusive and mutually supportive work environment.

Workplace safety [GRI 403-1, 403-2, 403-4, 403-5, 403-7, 403-8, 403-9 and 403-10]

Employee safety is one of the key premises behind Texneo's sustainability policy. For this reason, we manage occupational risks through means of safety programs, most notably:

Risk Management Program (RMP),
Technical Report on Environmental Working Conditions (LTCAT),
Technical Report on Work Posing a Health Risk (LTI),
Technical Report on Dangerous Work (LTP),
Ergonomic Workplace Analysis (AET),
Occupational Health Medical Control Program (OHMCP) and Hearing Loss Prevention System (SPPA).

Employees hired full-time under Brazil's CLT (Consolidation of Labor Laws), as well as third-party workers, adhere to applicable rules and complete a series of training programs before starting their work activities. Through these programs work is monitored through the **SESMT** - Specialized Safety Engineering and Occupational Medicine Service, which implements monthly training.

Texneo's Specialized Safety Engineering and Occupational Medicine Service, according to NR 04, must be comprised of two safety technicians. However, we offer the services of a physician specialized in occupational medicine, a speech therapist, as well as a psychologist, nutritionist and physiotherapist as a complementary benefit to our employees.

The company's Fire Response team includes 38 members divided into shifts and sectors. Participants are given monthly training and are prepared to response to chemical emergencies and offer fire response and prevention and first aid. Members are selected according to the needs of the sector in accordance with Texneo's PAE (Emergency Response Plan).

CIPAA (Internal Commission for the Workplace Accidents and Harassment Prevention) remains active in carrying out safety inspections and interacting with employees. In addition, the Company organizes an SIPET (Internal Week of Work Events), aligned with the demands and needs of employees and offering support for their physical and psychological safety.

It is important to note that work safety at Texneo is based on the HOP (*Human And Organizational Performance*) methodology, in which safety is considered the presence of the individual's capacity and defends the implementation of learning and improvement processes.

As a practical example, Texneo has established *Learning Teams*, teams made up of individuals from different sectors that are focused on learning in order to prevent work-related issues from occurring. This allows the company promote a culture of collaborative safety and achieve results related to the physical and psychological safety of our team.

Workplace safety indicators

Safety Indicators	2021	2022	2023
Accident Frequency index	3.4865	1.2619	1.0819
Accident severity index	0	0	0
Accident frequency	15.8	5.7	4.9
FAP	1.5288	1.2941	1.047

Our Community [GRI 413-1]

Texneo understands that building a collaborative and transparent relationship with local communities and other stakeholders is essential to promoting sustainable development.

Social investment and institutional support

By fulfilling our social responsibilities, we promote the support and development of the communities of which we are a part. We operate through means of donation campaigns, participation in activities promoted by social organizations, financial contributions through direct funds and via tax incentive laws, among others.

Total donations direct funding

R$36,295.97

Total donations incentivized funding:

R$360,824.89

Organizations supported with direct funding
- Paradesport Athlete
- APAE Blumenau
- APESBLU - Blumenau Paradesport Association
- APP at Encano Baixo Rudolfo Alfarth Municipal Elementary School
- Benedito Novo Social Assistance
- Alternative Pathways Restorative Justice Association - OS
- Santo Antônio de Blumenau Hospital
- Privilegius Clothing Industry and Commerce
- Eliti Program
- Maker Program
- Feeding Lives Project

Organizations receiving funding
- Marte Cultural Ltda
- Municipal Fund for the Rights of Children and Adolescents of Blumenau
- Municipal Fund for Children and Adolescents of Indaial
- APAN- Professor Artur Novaes Volleyball Association
- Indaial Municipal Sports Foundation
- São José Jaraguá do Sul Hospital through the Jaraguá do Sul Elderly Fund
- Municipal Elderly Fund for Indaial
- Alto Vale do Itajaí Health Foundation (Rio do Sul Hospital)
- Otovida Institute - Health and Inclusion of the Hearing Impaired

APESBLU

Texneo has been a supporter of the Blumenau Paradesport Association since 2020. APESBLU is an entity dedicated to supporting Paradesporto de Blumenau, with about 500 Para athletes/students participating in 65 decentralized centers located throughout the city. The Associations activities including training and competitions and events, among others.

The partnership is formed through the 6X4 Program, an initiative that aims to support young Para athletes in entering the labor market without having to abandon their training. By hiring the Para athletes, the company is responsible for providing remuneration for 6 hours per day, making 2 hours per day available for training, in addition to making jobs more flexible and freeing allowing athletes to participate in championships.

In 2023, support was provided to APESBLU was carried out through donations and sponsorships that made it possible to purchase 500 T-shirts that were gifted to students at the association's Christmas party.

Leaders in Technology Academic Program - ELITI

In 2022 and 2023, Texneo was a sponsor of the ELITI Program, which seeks to offer young people in low-income areas access and opportunities for learning programming, preparing them to work as software developers. The program last from 6 months to 1 year and classes are held at CIB – Blumenau Innovation Center and AMcom, a partner company.

Texneo's sponsorship is aimed at encouraging interest in IT among women, with part of the vacancies being reserved for young women and girls.

Learn more about ELITI here:
www.eliti.com.br

Texneo Educa

Founded in 2017, Texneo Educa is an educational program focusing on social development and strengthening community ties through volunteer work. The program benefits Encano Baixo Rudolfo Alfarth Municipal Basic Education Institute, located in Indaial - SC.

The program's main objective is to assist young people with their development in the 9th grade, offering support in choosing their careers and preparing them to enter the labor market.

The program is structured in the following: Texneo volunteer employees act as teachers, teaching subjects with which they are familiar. 12 subjects are selected conjunction with school administration and Texneo's ESG committee. Meetings are held once or twice a month and 2h30 in length.

In 2023, 27 volunteer teachers participated in the program, and the class benefiting from the program was made up of 18 students. This commitment demonstrates Texneo's level of engagement in promoting access to education and local community development.

"I really enjoyed the visit to Texneo because I learned a lot of things and thought it was very interesting and cool. It's a company that really takes care of its employees. The coolest part of the visit was seeing the dyeing process."

André Felipe Schwambach (2023 student)

Since being started, the project has seen the participation of:

162 students
116 volunteer teachers impacted

"Participating in Texneo Educa is an opportunity to build a solid foundation allowing the company to fulfill its purpose, empowering young people through the acquisition of knowledge and positive references, so that they are able to expand their horizons in terms of their careers and lives. Volunteering for this project is truly transformative. The feeling I get after each class is one of fulfillment and gratitude, for carrying the message that knowledge is the key to transformation for any person and organization. Being a part of this experience is very memorable indeed."

Carla Brandão (Volunteer teacher)

Alternate Pathways

Alternative Pathways is a philanthropic institution that seeks to rehabilitate and reintegrate female prisoners and women recently released from the prison system and living in a situation of social vulnerability into through through initiatives aimed at combating period poverty prevalent among these women, seeking to reduce recidivism rates.

Alternative Pathways' purpose is to impact women's lives through training, social and psychological guidance, and income generation, providing professional qualification in fabric cutting & sewing, screen printing, embroidery, and entrepreneurship and encouraging self-reflection.

Texneo participate in this project by donating knits for the manufacture of ecological reusable sanitary napkins. 1,800 absorbents and 500 bags were produced using knits donated by the company. These kits were distributed as part of campaigns aimed at combating period poverty in community schools in São Paulo.

RESTORATIVE JUSTICE ASSOCIATION
ALTERNATIVE PATHWAYS
São Paulo/ SP

Learn more about the
Restorative Justice Association and Alternative Pathways:
www.passarelalternativa.com.br

Associations [GRI 2-28]

Texneo understands the fundamental importance of completely engaging with its ecosystem.

As a company committed to corporate responsibility, we understand that our relationship with the surrounding environment is not just a matter of regulatory compliance, but rather an intrinsic part of our identity and purpose.

Throughout our journey, we have cultivated strategic partnerships with several associations and organizations that share our vision of the future. These partnerships not only strengthen our ability to implement innovative practices. They also provide us with a platform to collaborate with other industry leaders and positively influence sustainability policies and initiatives.

ABIT - Brazilian Textile and Clothing Industry Association

ABIT represents more than 24,000 companies throughout Brazil and seeks to support sustainable development within the sector, defending the interests of members and promoting innovation and technology to make the Brazilian industry a reference worldwide.

ABRH - Brazilian Human Resources Association

ABRH's mission is to disseminate knowledge from the world of work and develop people and organizations, seeking to improve Brazil's social, political and economic conditions.

ACIDI - Indaial Business Association

ACIDI unites local entrepreneurs from a range of sectors to strengthen trade associations and promote economic development. Initially established as an advisory entity, ACIDI supports community initiatives and encourages the municipality's growth while providing services to members and representing their interests.

Gene Blumenau Institute

The Gene Institute is a non-profit Social Organization (SO). Its activities include management of the Blumenau Innovation Center, a business incubation program implemented in partnership with local entities and offering project management services for public and private initiatives, as well as to development agencies.

SINTEX - Union of Spinning, Weaving and Clothing Industries of Blumenau

Sintex comprises entrepreneurs within Vale do Itajaí's textile and clothing industry receiving constitutional support in negotiating and signing collective bargaining agreements with labor unions, seeking out a balance of interests between parties.

SDG SC Movement

The SDG SC Movement seeks to raise awareness and engage and mobilize various social actors in Santa Catarina, including governments, companies, non-governmental organizations and citizens, in order to contribute to fulfilling the commitments made under the UN's 2030 Agenda.

FIESC - Industrial Federation for the State of Santa Catarina

FIESC seeks to resolve to a series of issues that directly affect companies' day-to-day routines. From closely monitoring the performance of the Executive and Legislative branches and issues that impact the production sector to, more importantly, suggesting new alternatives to be implemented.

CHAPTER 5
PRODUCTS

Our Business [GRI 2-6]

We are driven by performance. Our company culture is well-aligned with our products, which focus on *sportswear, beachwear, underwear* and *lifewear*.

We produce a wide range of knits designed to meet the diverse needs of our customers, including polyamide
and polyester/elastane knits. We are market leaders in Latin America.

We constantly seek to exceed expectations and offer solutions that combine a high level of performance, comfort, and style.

Sportswear

Lifewear

Beachwear

Underwear

TexneoGreen

Reinforcing our commitment to environmentally sustainable products, we have established a series of practices that promote the implementation of initiatives within our production chain known as Texneo Green.

In 2023, we focused our efforts on expanding sales of our sustainable product lines and further disseminating this initiative among additional brands and customers.

The items that make up this line are manufactured using recycled and renewable raw materials, which reflects our commitment to the circular economy.

Recycled materials, such as polyamide, elastane and polyester are sourced from pre-consumer industrial waste and discarded PET bottles. Bioamide, on the other hand, is a renewable source yarn derived from corn biomass, which, according to the supplier, has been genetically modified so as not to compete with the production of food to be planted in infertile soils. Approximately 50%[1] less oil is used to produce this synthetic yarn.

Additionally, the use of INK technology in our products can be highlighted, in which which dyed bulk yarns are used, thereby eliminating the need for dyeing and reducing the use of water resources and energy, in addition to preventing water pollution stemming from the use of dyes and chemicals. Measuring water consumption per kilogram of product also demonstrates the benefits of INK technology, presenting a significant reduction when compared to other dyeing processes.

1. As disclosed by the supplier of raw materials.

Significant growth was seen in Texneo's Green Line in 2023. Total volume invoiced increased threefold, and the number of customers served increased by 40%, reflecting the company's ever-expanding commitment to sustainability.

An adjustment was made to data presented for 2022 for the purposes of this report, specifically regarding the number of portfolio articles and customers. A table containing updated data is presented below.

	2022	2023	Growth
No. of Items Invoiced	13	15	15%
Volume Invoiced (kg)	28,188	88,182	213%
No. of Customers	199	278	40%

texneo GREEN

Value Chain [GRI 204-1, 308-1]

Texneo's achievements are the result of the collective effort of our people, including our suppliers.

We are part of a global value chain, a phenomenon that is common throughout the clothing industry. At the same time, Texneo places value the local economy, consolidating partnerships at the national level in addition to those entered into with suppliers from Santa Catarina. Key figures related to the procurement of materials at Texneo are shown below.

	2021	2022	2023
Imports	64.69%	58.43%	45.24%
Domestic purchases (other states)	6.62%	10.64%	20.23%
Local purchases (within Santa Catarina)	28.69%	30.93%	34.52%

Additionally, we seek to promote sustainability in a collaborative manner throughout the entire production chain. As a result, Texneo establishes standards and best practices to ensure our suppliers also fulfill objectives aligned with Texneo's ESG-related development.

One of these initiatives involves requiring certifications for certain types of suppliers such as a **OEKO-TEX** Certificate for yarn and chemical suppliers and additional certifications such as **GRS** for sustainable yarn suppliers.

OEKO-TEX is a certification provided for products that meet strict safety and sustainability criteria, ensuring that they are free of harmful substances and comply with international safety standards.

Global Recycled Standard certification that indicates that a given product makes use of recycled materials. The GRS seal seeks to ensure that an item was produced in a manner that is sustainable and free of harmful chemicals under ethical working conditions.

CHAPTER 6
PROCESSES

Sustainability in practice

Texneo is guided by the company's values and the commitments it has made to society. For this reason, we have implemented our sustainability strategy in a practical manner.

As part of efforts to consistently improve monitoring, we began controlling water and energy consumption and waste generation, based on the amount of knits accounted for under final balances, while also considering inputs used in reprocessed and lost knits.

Texneo recognizes that action must be taken to bring about the changes we want to see in the world. Learn more about how we are taking action through our processes to promote sustainable practices in the following sections.

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

Water is an essential resource in production activities, particularly processing. Water is used at three main points in processes: Knitting, Processing and in Boilers used for steam generation.

Texneo currently uses water taken from the Itajaí-Açú River, which is withdrawn and sent to a Water Treatment Plant (WTP) to complete a purification and treatment process. Water is then distributed to the different consumer sectors within the company.

After being used in processing, water is sent to a Wastewater Treatment Plant (WWTP), which relies on an ozone treatment system.

Sludge is dried using residual heat taken from plants' stack and thermal fluid heater before being routed to a landfill.

Indicators

	2021	2022	2023
Total m^3 of water taken from public grid	3,147	3,665	4,366
Total m^3 of water taken from river	766,698	716,695	766,924
Water consumption per kg of knit (L/kg)	118	115	122
Total m^3 disposed of at WWTP	684,661	637,859	682,562

We constantly seek out alternatives and new technologies in order to reduce our water consumption. However, in 2023, we observed an increase in water consumption per kg of knit produced due to several variables that are interfering with the production process.

These variables include the product mix and its respective colors, which require a greater number of setups and equipment washing, as well as the diversification of weights and high level requirements for quality and increases in process dimensions, which impact the efficiency of indicators. It is also important to note that this factor also interferes with emissions and energy consumption.

Additionally, there was an increase in water consumption within the public grid due to expansion of the company's administrative structure.

Texneo is committed to continuously improving natural resource management practices through means of new technologies and monitoring systems.

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

In 2023, we recorded an increase in biomass consumption per kilogram of knit produced compared to 2022.

During the second half of the year, climatic factors in our region led to an increase in the humidity of biomass acquired, reducing the efficiency of burning processes.

In order to reduce biomass consumption, we have acquired new equipment and are investing in training so that thermal heaters are regulated according to biomass characteristics, thereby optimizing equipment efficiency.

Indicator	Unit	2021	2022	2023
ENERGY CONSUMPTION	TOTAL KWH	20,000,580	21,462,460	20,957,428
	kWh per kg of knits produced	3.06	3.46	3.31
BIOMASS CONSUMPTION	TOTAL kg of chips	20,057,080	19,020,600	19,748,750
	kg of chips per kg of knit produced	3.07	3.06	3.11

Indicators [GRI 306-1, 306-2, 306-3, 306-4 and 306-5]

A solid waste management system is critical to guaranteeing proper and safe disposal. Texneo takes action, beginning with the proper separation and correct classification of waste before forwarding waste for appropriate final disposal.

Although, due to the company's characteristics, we are not obligated to implemented reverse logistics for our packaging under PNRS, we continue to support the **Eureciclo** program in order to compensate for our product packaging.

Eureciclo Program

The Eureciclo ('I Recycle') program is responsible for connecting consumer good brands and recyclers, promoting environmental compensation through socially responsible recycling practices. Supporting companies allocate resources to development of the recycling chain, seeking to place value in agents involved in this process.

Waste

	2021	2022	2023
Total Recycled (in kg)	739,805	515,968	482,779
Total sent to Landfill (in kg)	684,613	731,341	972,783
Kg recycled per kg of knits produced	0.11	0.08	0.08
Kg sent to landfill per kg of knits produced	0.10	0.12	0.15

The observed increase in waste sent to landfill per kilogram of knits produced in 2023 can be attributed to the high demand for sludge drying, which overwhelmed the existing system, resulting in increased waste generation.

We are committed to reducing the amount of waste sent to landfills by increasing equipment's drying capacity.

This is an important step towards achieving our goal of reducing environmental impact and promoting sustainable practices throughout our operations.

Detailed information on the waste produced and the technology used in disposal of each type of waste can be found below:

Class	Waste	Description	Technology
CLASS 1 WASTE	Paint Sludge	Cans filled with paint/solvents etc.	Landfill
	Contaminated Solids	Cans/waste/burlap/ knits soiled with paint, solvent, oil, etc.	Landfill
	Aerosol Waste	Aerosol spray packaging	Landfill
	Batteries	Batteries	Encapsulation
	Glass/Rock Wool	Glass/rock wool used in insulation	Blending
	Engine Oil, lubrication and contaminat-ed items	Contaminated Oil	Landfill
	Glassware	Laboratory Glassware	Landfill
	Lightbulbs	Lightbulbs	Decontamination
CLASS 2 B WASTE	Compactable Waste	Dry Waste (Non-recycled and non-organic waste)	Landfill
	Textile Waste	Knit scrap and cut-off edges	Recycling
	Plastic Packaging	Chemical packaging	Recycling
	Metal Packaging	Chemical packaging	Recycling
	Cardboard	Cardboard and Cardboard Boxes	Recycling
	Plastic	Clean Plastic	Recycling
	Metal Scrap	Non-contaminated Scrap iron, steel, etc.	Recycling
CLASS 2 A WASTE	Boiler Ash	Boiler and Heater Ash	Landfill
	Wet Sludge	Wet Sludge WWTP	Landfill
	Dry Sludge	Dry Sludge WWTP	Landfill

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

Texneo's emissions inventory for 2021, 2022 and 2023 was retaken in accordance with the guidelines contained in GHG Protocol, PBGHGP, ABNT NBR ISO 14.064-1:2007 and IPCC methodologies.

Scope	Category	2021		2022		2023	
		Emission (tCO2e)	Participation [%)	Emission (tCO2e)	Participation [%)	Emission (tCO2e)	Participation [%)
Scope 1	Stationary combustion	599.36	60.10%	593.51	61.30%	622.43	59.40%
	Mobile combustion	8.4	0.80%	10.58	1.10%	12.6	1.20%
	Liquid effluents	389.72	39.10%	362.69	37.50%	394.61	37.60%
	Fugitive emissions	0.44	<0.1%	1.11	0.10%	18.75	1.80%
	Total Scope 1 emissions	997.92	100.00%	967.89	100.00%	1,048.39	100.00%
Scope 2	Purchased energy	2,542.57	100.00%	904.27	100.00%	822.25	100.00%
	Total Scope 2 emissions	2,542.57	100.00%	904.27	100.00%	822.25	100.00%
TOTAL		**3,540.49**		**1,872.16**		**1,870.64**	

	2021	2022	2023
Carbon intensity indicator	0.542 tCO2e / (t of finished product)	0.301 tCO2e / (t of finished product)	0.295 tCO2e / (t of finished product)

There was a slight increase in fugitive emissions due to refrigerant gas being reloaded in certain air conditioning units due to leaks. However, stationary combustion and liquid effluents remain much more representative, accounting for 97% of overall scope 1 greenhouse gas emissions.

Stationary combustion encompasses fuel consumption by industrial stoves in the company's cafeteria, electric power generators, boilers and thermal fluid heater, and can be highlighted as a key scope 1 emission. However, it is important to note that due to the use of wood chips, biogenic CO_2 is predominantly generated, which significantly mitigates environmental impacts.

With regards to scope 2 emission, when examining 2023 electricity consumption data compared to the 2021 base year, it can be observed that results for greenhouse gas emissions were largely influenced by the National Interconnected System's (SIN) emissions factor.

Although an increase of approximately 5% compared to the base year was recorded due to the changes in the product mix and processes mentioned above, this did not have an impact on carbon intensity

External Audits [GRI 2-18]

External audits of Texneo's financial statements, which has been carried out since 2017, highlights the company's commitment to transparency and accuracy in accounting information. In 2023, Ernst & Young (EY) conducted a thorough analysis, analyzing Texneo's balance sheet, income statements, statement of comprehensive income, changes in shareholders' equity, cash flow, and explanatory notes for the year then ended.

The relevance of this practice can be observed through the assurance that the financial information presented by Texneo is reliable and complies with Brazilian accounting standards. After a careful assessment of the risks of material misstatements and the conclusion of the audit process, EY issued an unqualified opinion, ensuring that financial statements accurately reflect the company's equity position, operational performance, and cash flows for 2023.

Additionally, submission of the Recommendations Report as part of this external audit reinforces the importance of this process as a means of continuous improvement. Recommendations identified during the process are carefully considered by Texneo's departments, demonstrating the company's commitment to improving its procedures and internal controls, contributing to more efficient and transparent management processes.

Transparency and Information Security

Texneo remains committed to data privacy and security and did not record any relevant incidents in 2023. We attribute these results to the work of the company's Data Privacy Committee and external legal consultancy, which have played a key role in implementing measures in line with the Brazilian General Data Protection Act.

Communication and transparency channels

Texneo values transparency and consistent communication with *stakeholders* and society as a whole. We therefore maintain an institutional section on our website in order to provide access to information related to the company.

This channel offers information such as Texneo's Code of Ethics and Conduct and Diversity Policy, in addition to the company's Sustainability Reports.

Innovation

2023 saw Texneo continuing to consolidate is positioning within the innovation ecosystem. We consider this to be one of the means of promoting business competitiveness together with sustainability. We therefore operate both inside and outside the home, fostering a range of initiatives that ensure the most innovative projects are implemented.

Learn more about some of the initiatives taken by Texneo in 2023:

CNPq Project

With a focus on increasing reproducibility rates in the production of polyamide knits, Texneo implemented a project entitled "Development of new methods and processing to increase the level of precision in the reproducibility among polyamide knits" together with CNPq (National Council for Scientific and Technological Development) through CNPq/MCTI/SEMPI Public Notice No. 021/2021 RHAE - Human Resources in Strategic Research Areas within Companies.

In 2023, this initiative represented key advances through the support of 2 bursary recipients active in the field of chemistry holding a postsecondary degree and post doctorate degree, respectively. Throughout the year, these bursary holders explored the dyeing process, evaluating chemical, physical, process parameters and other interferences that may lead to deviations during production. Seven lines of research were defined and supported through decisions regarding production adjustments for a better final result.

AMVE Connect

The AMVE Connect movement is managed by the Blumenau Innovation Center and the Association of Municipalities in the Vale Europeu region, and is implemented by innovation ambassadors representing their municipalities and promoting connections within this ecosystem through events and other activities.

Texneo is represented by two ambassadors, and in 2023 acted as the group's coordinator in the municipality of Indaial. The initiatives implemented included the Innovation Dialog event, which was attended by more than 150 individuals and sought to promote networking between small and medium-sized business and large companies, in addition to other innovation agents within the municipality.

Continuous Improvement Groups

This program seek to democratize access among employees in proposing ideas and projects aimed at improving processes and products. In 2023, Continuous Improvement Groups was remodeled with a new structure that included introduction of a methodology used to monitor projects, a specific meeting room and general rules for the consistent functioning of teams.

At the end of 2023, the program included 14 groups comprising 3 to 5 people and 69 registered projects, 19 of which have been completed.

Lei do Bem ('The Greater Good Act')

Focused on Research, Development and Innovation (R&D and I) initiatives, Lei do Bem has been a fundamental part of Texneo's strategy for boosting innovation and sustainability. This tax incentive allows us to direct significant resources to the development of more efficient and sustainable technologies, contributing to reducing environmental impacts, continuous improvement of our production processes, and the development of new products. Today the company has implemented several work fronts for projects eligible for benefits under Lei do Bem, with a focus on the development of innovative knitwear products.

CHAPTER 7
VISION OF THE FUTURE

Our plans for the future

Texneo remains attentive to global changes and market trends and is investing in technology and innovation in order to become the largest platform in South America's clothing industry. For this reason, we are willing and motivated to think and act "outside the box".

Our goal is to see growth in terms results while focusing on sustainability. It is for this reason that we at Texneo believe that our ESG Journey is only just beginning.

2024 will therefore see consolidation of Texneo's strategy based on our materiality matrix. We will be focusing on developing more sustainable products and processes and placing value in our greatest asset: our people.

Texneo is also seeking to develop its Risk Map and define new environmental indicators.

For this reason, we are taking action based on:

A strong organizational culture and unwavering ethics in the way we do business;
An integrated vision of our value chain;
Consistent efforts to implement high-level governance;
Ongoing efforts to develop new innovations.

Texneo is truly prepared to face new emerging challenges over the coming years.

Acknowledgements

Texneo is committed to sustainability and transparency. ESG involves a culture of collaboration. We believe that such a culture generates growth and opportunities throughout the entire textile chain. Texneo therefore appreciates the commitment of its team and partners in preparing this report.

We also wish to thank our *stakeholders*, which includes partners, directors, employees, suppliers, associations, customers and other entities. Texneo's stakeholders are completing this journey together with us and are committed to promoting change.

We hope that this report inspires and offers guidance to other organizations and individuals that, like us, are dedicated to sustainable development.

Thanks for taking the time to read our 2023 Sustainability Report!

Francisleine Tomazoni Axt
ESG Manager
Texneo

Credits
Texneo's ESG Committee

Consulting, materiality and reporting
Konexio Consulting

Graphic design and layout
Texneo's Marketing team

Revision
Texneo Team

Photos
Texneo Archives, APESBLU, Eliti and Alternative Pathways

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

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