

# SUSTAINABILITY REPORT 2023

fitesa



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# 01.

## Introduction

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# ABOUT THIS REPORT

Fitesa is pleased to introduce its 2023 Sustainability Report, which includes information from January 1 to December 31, 2023.

This publication aims to inform our stakeholders about the year's main highlights and progress in the environmental, social and governance (ESG) spheres, showcasing the business's ability to create value for people, the environment and society, as well as our commitment to longevity.

This report was prepared following the Global Reporting Initiative (GRI) Standards (an internationally recognized reporting framework) and refers to the United Nations' Sustainable Development Goals (SDGs).

The document has been reviewed and approved by Fitesa's Executive Management.



In the chapters and subchapters, the indicators are highlighted with the label "GRI XXX-X". The full table of contents can also be found on [page 49](#).

For more information, visit <https://www.globalreporting.com/>

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We refer to the SDGs more closely related to our business using icons in each chapter. The full index can also be found on [page 56](#).

For more information, visit <https://www.undp.org/sustainable-development-goals>

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Suggestions and/or questions about the Report can be addressed to [marketing@fitesa.com](mailto:marketing@fitesa.com)

# 2023 IN REVIEW

GRI 2-22

Let me begin by saying that 2023 was a difficult year to describe in just a few words. We celebrated our 50th anniversary, and while we reflected on all the achievements of the last half-century, we were navigating a world of uncertainty.

Markets were challenged by geopolitical and economic turmoil, consumption of hygiene products manufactured with our nonwovens and films timidly resumed growth, and healthcare and industrial markets fluctuated to find new normal levels after the pandemic years.

Sustainability continued to be debated and, up to a certain point, gained space in business while consumer trust in brands deteriorated. In this scenario, Fitesa did what it does best: concentrated on its efficiency, safety, quality, and sustainability drivers.

**As a result of this focus, we are celebrating the lowest recordable incident rate (RIR) since 2017, record-high training hours, the start-up of new lines, and a new bold commitment to reducing the intensity of emissions in the electricity we purchase by 40% until 2030.**

In this report, you will see a compilation of indicators, illustrated with cases and statements, that aim to give you an insight into our business. More importantly, however, we want to provide a deeper understanding of the way we work. Our firm commitment to longevity keeps us alert to the interests of all our stakeholders, keeping us in alignment with core ESG topics rather than following transitory trends in the hope of short-lived gains.

Finally, I want to thank all the individuals and companies that contributed to the results documented in this report. I wish you all a great reading, and I hope we have even better stories to share in 2024.

**Silverio Baranzano**

CEO



# 2023 HIGHLIGHTS



## BUSINESS



Revenue of  
**1.2 billion USD**



Expansion of the technology portfolio with one **new Spunlace line** in Jacareí (BRA)

One **new Spunbond line** in Simpsonville (USA), with special capabilities to produce fabrics with increased softness and sustainable content



## ENVIRONMENT

10 zero-waste-to-landfill facilities



Installation of **2,225 solar panels** in High Point (USA) - installed power capacity of 1,000 kWp

**New commitment** to reduce the emission intensity of the energy we purchase by 40% until 2030



## SOCIAL



**2,557**  
employees

**Lowest recordable incident rate** since 2017



Record-high  
**135,360 training hours**

**564,000 USD**  
for our communities

# 02.

## About Fitesa

SDG



# WHO WE ARE

GRI 2-6

**We are one of the world's largest nonwovens manufacturers.** Fitesa was founded in 1973 in Eldorado do Sul (BRA), started producing nonwovens in 1989 in Gravataí (BRA), and is currently headquartered in Porto Alegre (BRA).

We utilize a broad range of technologies, including Spunbond, Spunmelt, Meltblown, Carded, Airlaid, Spunlace, Films, and Elastics, to develop innovative solutions for the hygiene and healthcare markets.

Fitesa employs over 2,500 people in twenty-two manufacturing locations across twelve countries: Brazil, China, Germany, Hungary, India, Italy, Mexico, the Netherlands, Peru, Sweden, Thailand, and the United States, and a sales office in Japan. Our geographical footprint is strategically designed to provide our customers with the same key technologies in the main regions where we operate.

It is worth mentioning that Fitesa is a private company. We are fully owned by Évora S.A., with the exception of our operation in Southeast Asia (a joint venture in which we own a majority stake).

**Our innovative nonwovens solutions make work easier and life better.**

## COMPANY SNAPSHOT



**Completing 50 years of history in 2023**  
**34** dedicated to nonwovens manufacturing



**5** innovation centers  
 4 equipped with pilot lines



Presence in  
**12** countries

Broad range of technologies:  
**Spunbond, Spunmelt, Meltblown, Carded, Airlaid, Spunlace, Films, and Elastics**

We disclose our ESG performance on the EcoVadis and Sedex platforms

**22** manufacturing locations

UN Global Compact participants



**Pioneers** in the production and commercialization of biobased nonwovens





## OUR MISSION

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Fitesa develops nonwoven solutions for the hygiene and healthcare industries. We manufacture and sell our products across the globe and build our business on the aligned values of the company and our employees.

We are constantly seeking new ways to evolve and grow in dynamic and responsible ways.



## OUR MANAGEMENT PRACTICES

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Empowerment and Responsible Autonomy, Teamwork, Meritocracy, Employee Development, Always Do More and Better with Less.



## OUR VISION

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To be the preferred choice for the supply of nonwoven solutions to the global hygiene and healthcare industries.



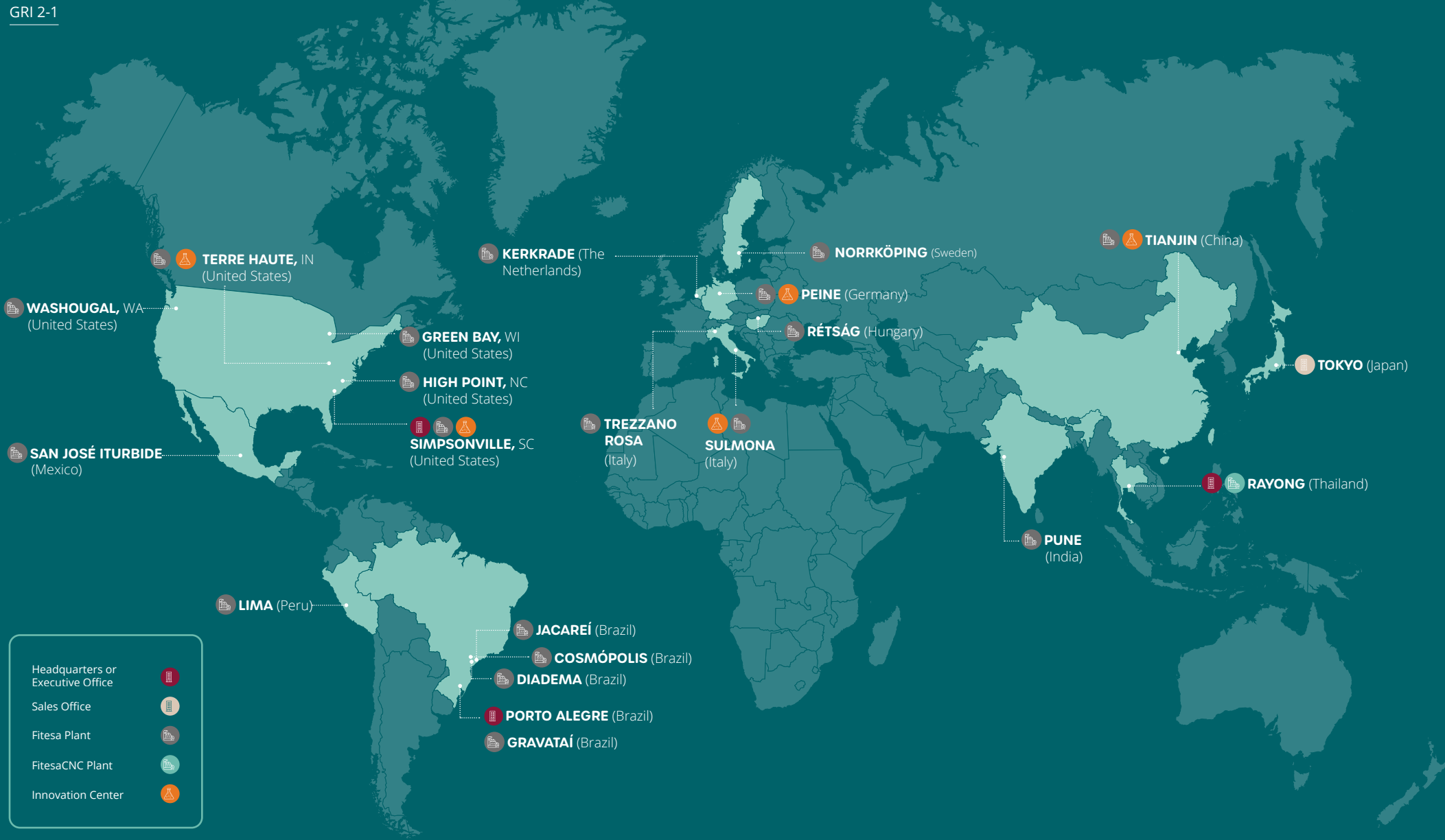
## OUR VALUES

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Trust, Simplicity and Frugality, Respect for Individuals, Transparency, Honesty and Integrity.

# OUR GLOBAL PRESENCE

GRI 2-1



## Our Associations

GRI 2-28

### ABINT

Fitesa is a member of the Brazilian Nonwovens and Technical Textiles Industry Association (ABINT), with Mateus Inacio, our COO, as the body's current president.

### INDA

Fitesa is a member of the Association of the Nonwoven Fabrics Industry (INDA). Our Vice-President for US & Canada, Ricardo Fasolo, acts within its Board of Directors.

### EDANA

We are members of EDANA. Our Vice-President for Europe and China, Michael Baumgartner, serves on the association's Board of Governors.

### EAfA

We work in partnership with the European Alliance for Apprenticeships (EAfA), aimed at improving the quality, provision and image of apprenticeships in Europe by promoting apprentice mobility. The body is an important unit of the European Commission.

# WHAT WE DO

GRI 2-6

**Fitesa is a manufacturer in the third generation of the hydrocarbon supply chain.** We apply different technologies to transform thermoplastic resins into nonwoven, film, and composite roll goods that are used as raw materials for a variety of consumer products, especially in the hygiene and healthcare markets.

**Fitesa is a leader in innovation.** We operate five innovation centers around the world, where our scientists continuously develop new products and processes that meet our customers' most pressing needs.

**Fitesa is a leader in sustainability.** We are pioneers in the development and commercialization of Biobased Spunlaid fabrics, which contribute to significantly reducing the environmental footprint of our customers' products. Our geographical footprint is strategically designed to serve the market with the same key technologies in the main regions where we operate, contributing to reducing the emissions of transporting goods from our facilities to our partners'.



## WIPES

- Personal care wipes
- Healthcare wipes
- Household, food service, and industrial wipes



## INDUSTRIAL

- Agricultural
- Bedding
- Oil and other liquid sorbents
- Clothing
- Air and water filtration

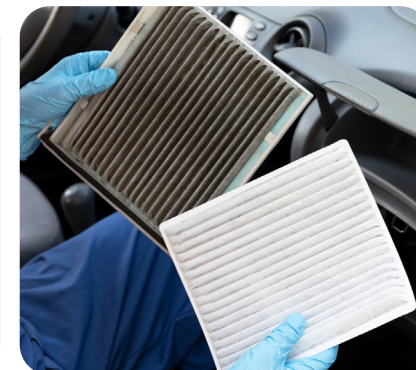
## HYGIENE

- Baby diapers
- Feminine/period care
- Adult/incontinence care



## HEALTHCARE

- Face masks
- Surgical gowns
- Surgical drapes
- Sterilization packaging



## OUR SOLUTIONS

### 1. SPUNMELT

Spunmelt nonwovens are produced through the extrusion of one or more polymers, such as polypropylene (PP), polyethylene (PE), and polylactic acid (PLA), into filaments which are consolidated into a web through a thermal process, forming a flexible, fabric like material with excellent mechanical properties ideal for use in the hygiene, healthcare, and industrial markets.

**Fitesa owns one of the world's greatest bicomponent capacities and offers one of the largest renewable portfolios in the industry, with solutions ranging from 20% to 100% renewable content.**

### 2. MELTBLOWN

Meltblown nonwovens are produced through the extrusion of polymers such as polypropylene (PP) into microfilaments, forming a fabric with greater surface area. This configuration can be optimized for superior adsorption or to form a barrier, depending on the desired application. Meltblown fabrics are best known for their use as filters for face masks and respirators, but they can also be applied in oil sorbents and wipes, among others.

**Fitesa is a leader in the production of Meltblown and composites for a variety of applications such as respiratory protection and sanitizing wipes.**

### 3. CARDED

Carded nonwovens are produced through the consolidation of a variety of fibers, such as polypropylene (PP), polyethylene (PE), polyethylene terephthalate (PET), rayon, and cotton, into a soft and thick web, using chemical, mechanical, or thermal processes. These nonwovens are widely used in personal care products, especially in elastic ears and in the liquid acquisition and distribution layers of disposable diapers.

**Fitesa produces air-through bonded (ATB), resin bonded (RB), Spunlace, and thermobonded (TB) Carded nonwovens.**

### 4. AIRLAID

Airlaid nonwovens are manufactured from cellulose pulp and consolidated into a web through chemical or thermal processes. They can be incorporated with super absorbent polymer (SAP) or combined with other materials like Carded nonwovens to further improve their liquid absorption and distribution properties. These nonwovens are ideal for application in high quality feminine/period care products, diapers, dry and premoistened wipes, as well as dry converted products such as food tray pads, napkins, and medical substrates.

**Fitesa produces thermobonded (TBAL), latex bonded (LBAL), and multibonded (MBAL) airlaid nonwovens.**

### 5. FILMS & ELASTICS

Films are produced through the extrusion of a variety of polymers, such as polyethylene (PE) and elastomers.

**Fitesa produces elastic and nonelastic Films that can be laminated with one or more layers of nonwovens or embossed and perforated.**



# CORPORATE GOVERNANCE

GRI 2-9 | 2-11 | 2-12 | 2-13 | 2-14 | 2-17 | 2-23 | 2-24 | 3-3

Fitesa prioritizes robust governance practices throughout all its sites and operations. We aim to establish a best-in-class worldwide standard of accountability, ethics, and purpose that supports business longevity. This is executed through a **robust governance structure, a comprehensive set of guiding policies and public commitments, and a management system** that provides the framework for the activities performed by our people and operations.

Fitesa is a privately held company and, therefore, is not subjected to many of the governance regulations that public companies are, such as the need for a formalized board of directors and the periodic publishing of its results.

Nevertheless, Fitesa chooses to apply industry-leading governance principles such as a board of directors structure, opportunity and risk analysis (including ethics and compliance programs), remuneration policies aligned with the business performance, and periodic reporting to stakeholders.

We follow IFRS reporting and international auditing standards. As well, we comply with the regulatory demands, laws, and global and local guidelines of the countries in which we operate.

## GOVERNANCE STRUCTURE

Fitesa's governance structure is composed of a board of directors, the CEO, and the executive management team.

### BOARD OF DIRECTORS

The board of directors' main responsibility is to oversee Fitesa's business, including economic, environmental, and social topics.

To this end, the board of directors is the final approver of Fitesa's annual budget and mid-term and long-term plans, where the company's strategies and goals are defined. The board is briefed monthly on the operational performance, economic impacts, and environmental and social aspects of the business by the Executive Management.

Our board is made up of four directors from our parent company, Évora, with a two-year term of office.

Being a privately held company, many of Fitesa's board seats are held by members of the Corporation's owning family; however, with acceptance of their roles, they vowed professional behavior with impartial decision-making.

This governance level acts collectively on decision-making, with no committee breakdown on its structure.

As an additional governance measure, Fitesa by-laws require some decisions to be submitted for shareholders' approval and subsequently to the approval of Évora's own board of directors, which is composed of seven non-executive members, including five market professionals.

## BOARD OF DIRECTORS

### Anthony Ling (Chair)

Évora Director and Shareholder  
Board Member since 2022

### Eduardo Lubisco

Évora CFO  
Board Member since 2009

### Wilson Ling

Shareholder  
Board Member since 1991

### William Ling

Shareholder  
Board Member since 1991

**EXECUTIVE MANAGEMENT**

Our executive management is composed of **regional leaders** who have full Profit & Loss (P&L) responsibility over a region (including economic, environmental, and social topics) and **functional leaders**, who are responsible for specific areas such as finance, innovation, human resources, marketing, and ESG.

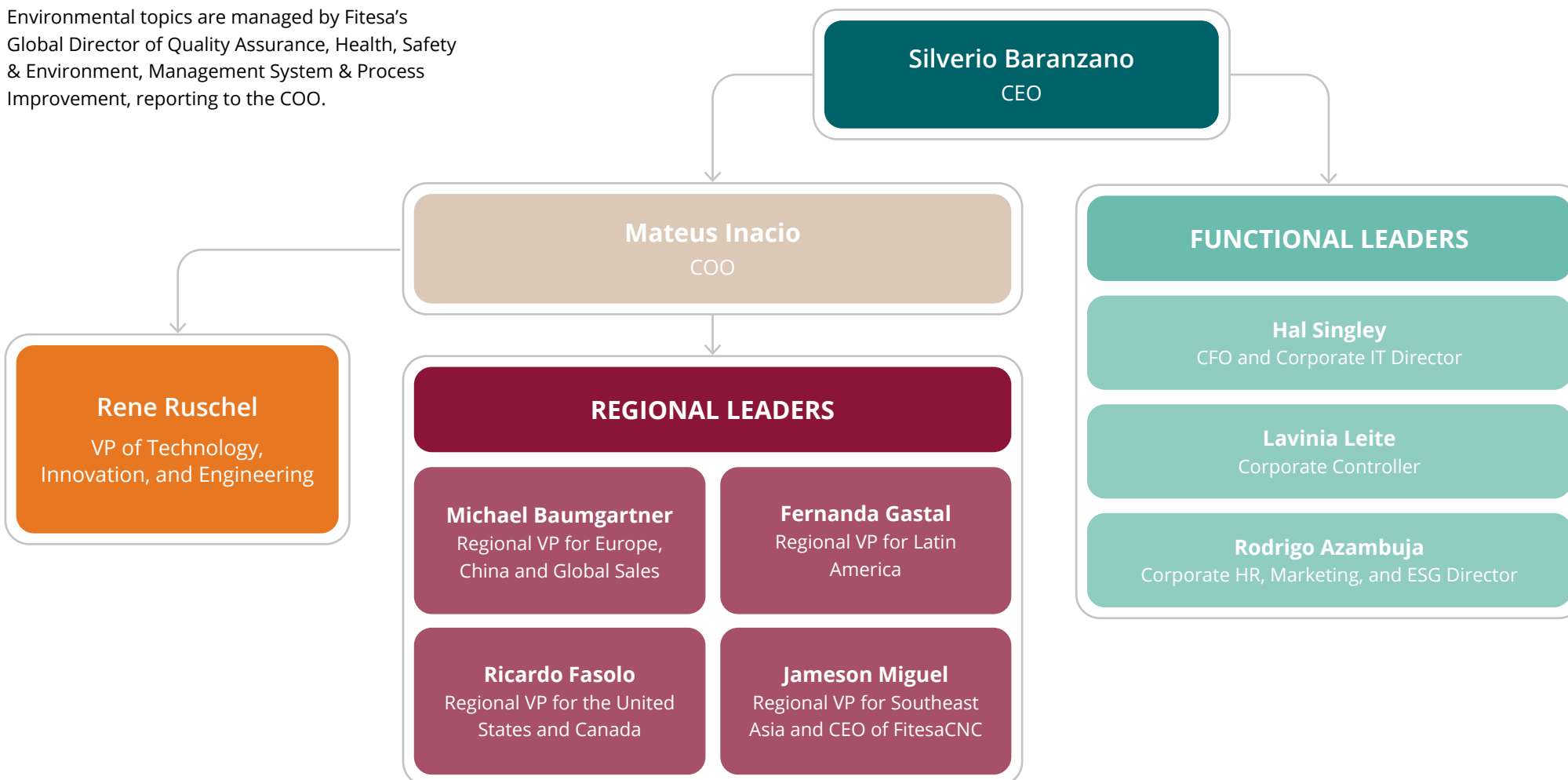
Environmental topics are managed by Fitesa’s Global Director of Quality Assurance, Health, Safety & Environment, Management System & Process Improvement, reporting to the COO.

Social topics are managed by Fitesa’s Corporate HR Director, reporting to the CEO.

The performance and initiatives in environmental and social areas are consolidated and monitored under the umbrella of the ESG committee, led by the HR, Marketing, and ESG Director, and reporting directly to the CEO.

**GLOBAL COMMITTEES**

Our global committees are sponsored by senior management to promote collaboration on the Company’s best practices and challenges, resulting in strategic support in reporting and decision-making.





## GUIDING POLICIES & PUBLIC COMMITMENTS

GRI 2-23 | 2-24 | 2-26

Fitesa has a comprehensive set of policies that publicly demonstrate our commitment to responsible business conduct, including anti-corruption and the respect for human rights:

- Code of Conduct (Ethics Policy)
- Sustainability Policy
- Health & Safety Policy
- Anti-Harassment
- Equal Employment
- Workplace Violence
- Supplier Code of Conduct
- Purchasing Policy
- Privacy Policy
- Signing Policy
- Travel & Expense Policy
- Open Communication Policy
- Disclosure of Unethical Conduct Policy

**Our code of conduct (ethics policy) is the underlying policy translating our corporate identity into the behaviors expected in all actions taken and activities conducted on behalf of Fitesa.** This document is introduced to employees during the onboarding process, guaranteeing 100% of this audience is informed about the company's guiding policies,

including but not limited to compliance with laws and regulations, accounting records and financial integrity, political contributions and activities, conflicts of interest, fair dealing, health, safety, and the environment, anti-corruption, anti-harassment, and anti-discrimination.

The human resources department is responsible for regularly updating the code of conduct and refresher training is conducted annually by a third party with targeted employees.

The expected conduct in all transactions conducted with Fitesa, and with its business relationship chain, is described in our Supplier Code of Conduct. This document is publicly available on our website, and purchasing teams are responsible for informing our business partners about the code and our other policies and standards.

At Fitesa, each employee is expected to act in accordance with the highest standards of integrity and ethics in everything they do. Our written policies and commitments empower leadership in implementing these expectations while reporting mechanisms are in place to allow employees to seek advice and raise concerns.



### CANAL ÉTICO (ETHICAL CHANNEL) AND LIGHTHOUSE

Anyone who witnesses violations of any law, regulation, or Fitesa policy is encouraged to report it immediately through our outsourced communication channels.

Complaints can be made anonymously, in the local language, by e-mail, telephone, or via our website.

**We have established 2030 directions in the areas of environmental sustainability, talent, growth, and digitalization.**

When setting short-term goals and strategies for running our business, our leaders must consider these long-term directions, aligning our present practices with our future objectives.

In addition to our 2030 directions, we also have sustainability targets specifically related to the environmental footprint of our operations.

Set in 2018, with 2017 as the baseline, we aim to achieve by 2025:



Fitesa is a participant of the UN Global Compact and, as such, supports its ten principles.

UNTIL 2025



**50%**

reduction in the production waste sent to landfills (kg of waste/tonne of product).

[More on page 43](#)



**10%**

reduction in CO<sub>2</sub> emissions (tons of CO<sub>2</sub> scope 1 and scope 2/tonne of product).

[More on page 42](#)



**10%**

reduction in energy consumption (KWh/tonne of product).

[More on page 40](#)



COMPARED TO 2017

## TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES WHO RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES BY FUNCTIONAL LEVEL

GRI 205-2

	2021		2022		2023	
	Number	%	Number	%	Number	%
Board of Directors	0	0.0%	0	0.0%	0	0.0%
Executive Management	8	88.9%	9	100%	8	88.9%
Management	177	88.5%	183	94.3%	183	95.8%
Operations	30	1.6%	202	11.3%	250	14.1%
Office	103	40.4%	150	66.4%	141	73.4%
Technical	46	20.6%	201	58.8%	202	61.6%
Sales	35	58.3%	47	77.0%	50	32.6%
<b>Total</b>	<b>399</b>	<b>15.1%</b>	<b>792</b>	<b>30.2%</b>	<b>834</b>	<b>32.6%</b>

## TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES WHO RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES BY REGION

GRI 205-2

	2022		2023	
	Number	%	Number	%
United States	179	27.6%	214	34.4%
Latin America	323	39.1%	356	43.7%
Europe	210	28.9%	193	26.5%
Asia	80	19.0%	71	18.2%
<b>Total</b>	<b>792</b>	<b>30.2%</b>	<b>834</b>	<b>32.6%</b>

In the past two years Fitesa recorded a significant improvement in the percentage of employees receiving training on anti-corruption policies.

The content of the training has equally evolved, having included in 2023 anti-corruption, anti-bribery, and confidential information handling topics.

## THE FITESA MANAGEMENT SYSTEM (FMS)

GRI 2-24

**The Fitesa Management System (FMS) lays down the policies and procedures that describe who we are, what we do, and our operational and control strategies.**

Our vision, mission, values, and management practices describe **who we are**.

**Everything we do** is driven by one or more of the following drives: health and safety, sustainability, efficiency, and quality, each one defined by its respective policy.

The **operational and control strategies** are used to run our businesses and apply to all processes, drives, and organizational levels.

Adherence to the FMS is monitored annually through internal corporate compliance audits.



### HEALTH AND SAFETY

**Impacted Stakeholder:** Employees  
**Corporate Policy:** Health and Safety Policy

For Fitesa, safety is the number one priority, and we are fully committed to having a healthy and safe workplace for all our employees and for sub-contractors working at our facilities. We will achieve this by:

- Understanding and fully complying with all applicable legal and other requirements regarding Health and Safety. Following the law is the minimum standard, not the maximum.
- Creating a working environment where all our employees take responsibility for their own health and safety, and for that of their colleagues. No activity is so urgent that it cannot be performed in a safe manner.
- Proactively working towards prevention of work-related injury and ill health through continual improvement. All injuries are avoidable.
- Considering health and safety aspects when planning changes in the organization, work content and methods, work environment and procurement of new equipment and services. In this considerations, employee involvement is encouraged to ensure a good end result. We think before we do.



### EFFICIENCY

**Impacted Stakeholder:** Shareholders  
**Corporate Policy:** Efficiency Policy

Fitesa will ensure long term success by managing our time and efforts so investments in people and resources are optimized. We will achieve this by:

- Designing our processes so they deliver the required results smoothly and without stress. Do it right the first time.
- Ensuring flexibility in our processes so we adapt to new realities without overburdening. Adapt to change in a controlled manner.
- Minimizing wastes in our processes by continually improving our working methods and procedures. Accept the existence of wastes but always strive to reduce them.
- Combining discipline, knowledge and creativity in our everyday work. The limits to what we can achieve are set by ourselves.



## SUSTAINABILITY

**Impacted Stakeholder:** Society  
**Corporate Policy:** Sustainability Policy

Fitesa champions the responsible management of resource use and is committed to working towards a sustainable society. We will achieve this by:

- Ensuring company stability and profitability, enabling us to share with society through employment opportunity, taxation and social contribution. **Sustainability is reached through progression, not regression.**
- Understanding and fully complying with all applicable legal and other requirements regarding Environmental and Social issues. **Follow the law is the minimum standard, not the maximum.**
- Working continuously towards reducing our environmental impact:
  - » Minimizing the amount of material sent to landfill from our operations. **Reduce, reuse, recycle.**
  - » Improving our energy profile through choice of energy type, choice of energy source and reduction of direct specific energy use. **Our energy systems serves our needs without compromising the needs of future generations.**
  - » Addressing the issue of climate change by reducing our Greenhouse Gas footprint. **We do not inherit the earth from our ancestor; we borrow it from our children.**
- Taking social and moral responsibility in the regions we are present. **Do good, be just.**



## QUALITY

**Impacted Stakeholder:** Customers and Consumers  
**Corporate Policy:** Quality Policy

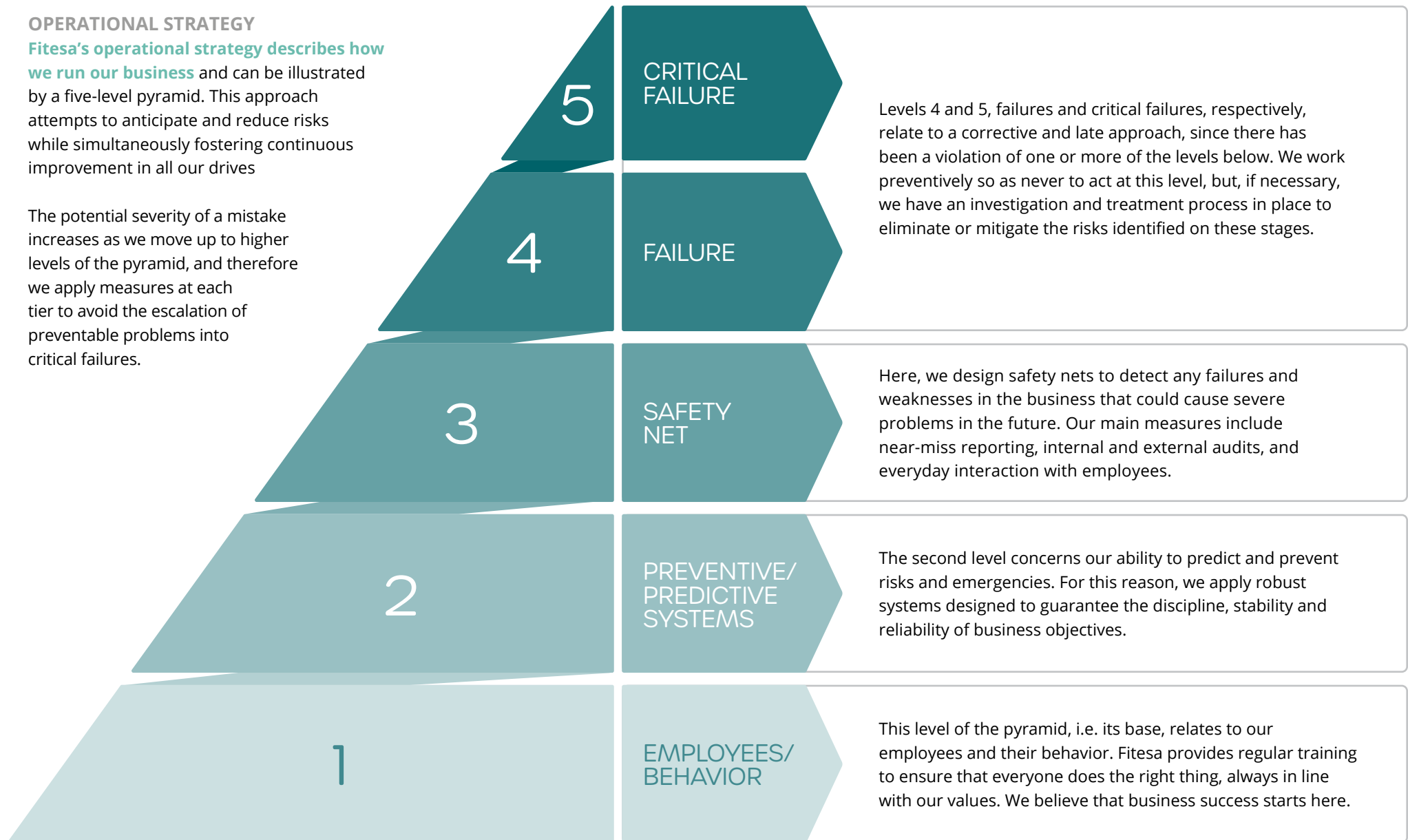
Fitesa understands the foundation of reaching our goal of being the preferred choice in the market is built through excellence in quality and customer satisfaction. We will achieve this by:

- Creating an environmental where every employee understands the impact of their work on Quality and is driven by a culture that believes every detail matters. **We are never stronger than our weakest link.**
- Fully understanding the needs and expectations of our present and potential customers. **We know our business and our products better than anyone else.**
- Investing in know-how and state-of-the-art assets to be able to provide world-class products and quality assurance that meet our customers' requirements and expectations. **We deliver what we promise.**
  - » Supplying the right product, in the right amount at the right time.
  - » Ensuring that our product is free from contaminations and unwanted components.
  - » Delivering product that meets all the requirements for physical properties.
- Continuously developing and improving our management processes, products and services with the aim of being one step ahead of market demands. **We come with the solution before the customer comes with the problem.**

**OPERATIONAL STRATEGY**

Fitesa's operational strategy describes how we run our business and can be illustrated by a five-level pyramid. This approach attempts to anticipate and reduce risks while simultaneously fostering continuous improvement in all our drives

The potential severity of a mistake increases as we move up to higher levels of the pyramid, and therefore we apply measures at each tier to avoid the escalation of preventable problems into critical failures.



## Risk Assessment

GRI 2-23 | 2-24

Fitesa applies risk assessment with the purpose of identifying necessary improvements and increasing awareness about the risks involved and the control measures required when performing routine and non-routine tasks.

The basic principle of risk assessment is the hierarchy of controls. For the safety drive, this means that:

- Once risks or hazards are identified, we take measures to eliminate them.
- When a risk or hazard cannot be eliminated, we develop solutions to reduce them based on the risk priority number (RPN), a classification based on the frequency of the exposure, the probability, and the potential consequences of a possible occurrence.
- When a risk or hazard cannot be reduced to acceptable levels, we:
  - Apply engineering controls (such as safety engines and blocks, in the case of safety) aiming to control the risk/hazard at source.
  - Apply administrative controls (such as procedures, inspections, and training) aiming to minimize the risk/hazard through safer work systems.
- Finally, we employ Personal Protective Equipment (PPE) to reduce the severity of undesired accidents due to residual risks/hazards.

All routine and non-routine tasks should only be started if risks are known and understood and once control measures are in place. The quality of these processes is based on two pillars:

- 1. Expertise:** All people performing risk assessments are experts in the topics.
- 2. Training:** All people performing the described activities are trained in the applicable policies and procedures, as well as in general risk-assessment methods.

The information generated through these processes is the starting point for the management system's continuous improvement cycle. The risk assessments are documented using our global system to ensure identification of priority risks and deployment of corrective actions. The follow-up of its implementation is also managed in our global system.



**In 2023, 2,107 near misses or risky conditions were reported. All contributions were evaluated and 1,828 (87%) had their respective actions fully implemented by the end of the year, ensuring an even more robust and effective health and safety system thanks to the direct participation of our employees.**

Moreover, we rely on other initiatives to reduce our operation's risks, such as:



### Risk observation and near miss reporting

Employees are continually encouraged to identify and report conditions that could pose a risk to one of our drives.

### Communication of near misses and failures

We have a corporate tool to record, manage and investigate events quickly and in a timely manner. Information on events is rapidly communicated to all our facilities, requiring implementation of relevant changes that emerge from the investigation. These changes could involve investments in new equipment, infrastructure modification, or updates to procedures.

### Worker participation and consultation

The main form of participation is through everyday interaction between managers and employees. This strengthens our corporate culture and the foundation of our strategic pyramid (behavior). Another forms of participation is through risk assessment and reports.

### Access to relevant information

All relevant policies and procedures are available on our global document system.

### Committees

All facilities have health and safety and quality committees where employees are represented by their leadership with the goal of evaluating the local performance and defining improvement strategies and measures. Each location has the autonomy to define the form and frequency of the meetings.

### Culture

Our deep commitment to our company drives has helped us build, over our 50 yeas of history, a culture that goes beyond the policies, procedures, and systems. It is part of our daily lives, and the number of contributions to our voluntary risk observations and near-miss reporting are the evidence that no worker is at risk of reprisal for partipating in this area.



# 03.

## Value Generation

SDG














# MATERIALITY

GRI 3-1 | 3-2

In 2020, Fitesa carried out a study to identify its material topics, that is, the most important economic, environmental, and social impacts, as well as the matters that influence its stakeholder's assessments and decisions.

The resulting materiality matrix is made up of five material themes, all correlated with the Sustainable Development Goals and Global Compact Principles (complete SDG Map on [page 56](#)).

MATERIAL TOPICS	Safety And Convenience For Consumers	Risk Management	Ethics And Fight Against Corruption	Environmental Impacts	Employment And Well-Being
<p>RELATED UNITED NATIONS GLOBAL COMPACT PRINCIPLE</p>			<p>Businesses should:</p> <p><b>10) Work Against corruption</b> in all its forms, including extortion and bribery.</p>	<p>Businesses should:</p> <p><b>7) Support a precautionary approach</b> to environmental challenges.</p> <p><b>8) Undertake initiatives</b> to promote greater environmental responsibility.</p> <p><b>9) Encourage the development and diffusion</b> of environmentally friendly technologies.</p>	<p>Businesses should:</p> <ol style="list-style-type: none"> <li><b>1) Support and respect the protection of internationally proclaimed human rights.</b></li> <li><b>2) Make sure that they are not complicit in human rights abuses.</b></li> </ol> <p>Business should uphold:</p> <ol style="list-style-type: none"> <li><b>3) The freedom of association and the effective recognition of the right to collective bargaining.</b></li> <li><b>4) The elimination of all forms of forced and compulsory labor.</b></li> <li><b>5) The effective abolition of child labor.</b></li> <li><b>6) The elimination of discrimination in respect of employment and occupation.</b></li> </ol>
<p>RELATED UNITED NATIONS SDGS</p>	 			     	

## STAKEHOLDER GROUP

### EMPLOYEES



To understand the opinion of our employees, we periodically carry out a work climate survey, in addition to assessing performance through indicators and goals. We also promote open communication channels with all leadership levels through our “open door” and “management by walking around” practices.

### CONSUMERS



We connect with end consumers through our customers, by consulting market research, and participating in events. We also have technical teams working with key customers to design innovative solutions to meet the needs of end consumers.

### SHAREHOLDERS



As a privately held company, we maintain a close relationship with our shareholders through monthly meetings with our board of directors.

### COMMUNITIES



We are proud to support the needs of the communities in which we operate. Our most effective tools for this are creating jobs and paying taxes, but we also partner with non-profit organizations for specific projects and initiatives.

### CUSTOMERS



We routinely collect feedback from our key customers on Fitesa’s performance in critical areas and dedicate technical and sales resources to encourage continuous communication. This is performed by frequent visits and meetings with customers’ different points of contact and departments, besides our formal processes of analysis of complaints.

### SUPPLIERS



We believe that the growth of our business is connected to maintaining lasting relationship with our supply chain. We support fair negotiations based on the exchange of information during the review cycles and in the exchange of feedback. Even as a global company, we seek to maintain local contact with critical suppliers through our purchasing teams.

## STAKEHOLDER ENGAGEMENT

GRI 2-25 | 2-29

We value transparent communication with all our stakeholders based on mutual trust and respect. We take a personal approach to understanding their priorities and developing the most effective communication channel for each group.

### MANAGEMENT BY WALKING AROUND

Management by walking around, as described in our FMS Overview, is our way saying that “relaxing everyday interaction between managers and employees is extremely important for aligning values, highlighting issues, and giving constructive feedback”.

# INNOVATION

Our Innovation Centers are dedicated to developing innovative products and processes to meet our stakeholders' most pressing needs. Comfort and sustainability have been important innovation drivers in our industry, and in 2023 Fitesa continued to expand its solutions and technology portfolios in both areas.

## NEW PRODUCTS

- **Fitesa T10** is our latest soft-bonding pattern. Its design combines product softness with a discreet visual, and its mechanical properties are optimized to limit the loss of abrasion resistance commonly observed in soft-bonding fabrics.
- **Fitesa 100% Biobase S Hydro-X** is a hydro-expanded nonwoven nominated finalist for the INDEX 2023 Innovation Award. Besides the well-known impact of the negative carbon footprint of the renewable raw materials (bioPE and PLA), this product is also an extremely soft and high-loft Spunbond solution, comparable to ATB nonwovens.
- **Biodegradability Enhancers** have been long desired by companies using standard fabrics based on non-biodegradable polymers. Biodegradability enhancers facilitate the action of micro-organisms to eat and digest polymer chains.
- **Fitesa 100% PLA.** In 2023, Fitesa supplied the nonwovens for a 100% PLA facemask introduced in the American market. PLA is a renewable and industrially compostable polymer made from corn starch, and has a negative carbon footprint.

- **Fitesa 100% BioBase Aquidry.** Besides the well-known impact of the negative carbon footprint of the renewable raw material (bioPE) on the product, this product is also a lower basis weight (26 gsm) alternative for traditional acquisition and distribution layers.

Our internal laboratory analysis confirms Fitesa® 100% BioBase Aquidry has comparable or better fluid management properties (strike-through and rewet) than ~40 gsm resin bond, 40 to 80 gsm air-through bond, and 40 to 60 gsm Spunlace materials currently available for the same application.

## NEW TECHNOLOGIES

- **Spunlace:** started in Jacareí (BRA) in July 2023. This line represents a leading technology for personal care wet wipes. It is also Fitesa's first Spunlace line, worldwide.
- **Spunbond:** started in September 2023, in Simpsonville (USA). This line has special capabilities to produce even softer and loftier fabrics, with higher sustainable content using biobased and circular raw materials, including recycled PET.

# VALUE TO OUR PEOPLE

GRI 2-23 | 2-24 | 2-30

Fitesa relies on a high-performing, engaged workforce to deliver its value proposition of making work easier and life better. Due to our fast growth pace, large geographical footprint, and decentralized management style, we are constantly striving to create work environments that reflect our corporate identity, fostering collaboration towards our business goals while promoting employee development.

**We believe the best way to measure our success in this endeavor is the tenure and the engagement of our employees.**

In 2023:

- Our global turnover reduced by 2.5 percentage points (p.p.).
- 33% of our employees had been working for Fitesa for more than 10 years.
- 73% of our managers were promoted to their positions from within the company.
- Our engagement survey reached 80% participation, recording an important 4 p.p. increase from 2019 despite the aggressive expansion of the target audience to include all our employee base for the first time since the recent acquisitions.



**Despite the external adversities in 2023, our HR team persevered in delivering initiatives aligned with our business goals, values, and management practices.**

As part of our commitment, we not only refined our overall processes but also expedited their digitalization. This is evident in the enhancement of our Learning Management System (LMS), resulting in a significant increase in training hours, particularly in the Americas. Furthermore, we improved our talent management process, enhancing the assessment

and calibration of our talent pipeline through our HR Connect system. In 2024, we aim to consolidate this process within the regions.

Looking ahead to 2024, we remain committed to our journey towards our 2030 strategic goals. We continue to collaborate with teams, focusing on the region's needs and striving to ensure a positive and enhanced experience for all our leaders and employees.

**Rodrigo Azambuja**

Corporate Sr. Director HR, Marketing and ESG


**65%** of our working force is covered by collective bargaining agreements. For all other employees, we follow the standard local industry practices, always respecting labor laws and fostering working relationships based on transparency and open dialogue.


We are committed to upholding all legal regulations concerning employee rights and working conditions. We prioritize fundamental rights, such as freedom of association and the prohibition of child labor, slavery, forced or involuntary labor, and any other practices that undermine human dignity.

We do not hire employees under the legal age, and young workers are not exposed to hazardous conditions. Adherence to these commitments is verified during our Fitesa Management System internal audits. In 2023, 31.8% of our manufacturing locations also had a SMETA assessment that formally validated their compliance with employee documentation, working hours, payment of living wages and benefits, and the prevention of discrimination among our employees and subcontractors.


## OUR PEOPLE

**2,557**  
employees

 **2,134**  
(83%)


 **423**  
(17%)


### Permanent

 **2,049**  
(83%)

 **419**  
(17%)

### Temporary

 **85**  
(96%)

 **4**  
(4%)

Europe  
**729**  
employees

United States  
**622**  
employees

Asia  
**391**  
employees

Latin America  
**815**  
employees

## EMPLOYEE DISTRIBUTION BY CONTRACT AND WORKING TIME

GRI 2-7

	2021		2022		2023	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Temporary	133	9	85	12	85	4
Permanent	2,086	417	2,094	432	2,049	419
Full-time	2,213	410	2,176	427	2,127	406
Part-time	6	16	3	17	7	17
Total by gender	2,219	426	2,179	444	2,134	423
<b>TOTAL</b>		<b>2,645</b>		<b>2,623</b>		<b>2,557</b>

## JOB CREATION IN 2023

GRI 3-3 | 401-1

Our 2023 headcount remained stable, with a small reduction observed in most regions attributed to usual market dynamics. The decrease in turnover, especially in the USA, is attributed to a series of ongoing initiatives gathered under the "Invigorate and Celebrate" program, including training to ensure that employees have the necessary knowledge to perform their activities. These results are also reflected in an improvement in our engagement survey results for the region.

	TOTAL NUMBER OF EMPLOYEES	NUMBER OF HIRES	NUMBER OF TERMINATIONS	HIRING RATE	TURNOVER RATE
<b>BY REGION</b>					
United States	622	225	243	36.2%	39.1%
Latin America	815	162	162	19.9%	19.9%
Europe	729	51	54	7.0%	7.4%
Asia	391	20	56	5.1%	14.3%
<b>BY GENDER</b>					
Male	2,134	390	428	18.3%	20.1%
Female	423	68	87	16.1%	20.6%
<b>BY AGE GROUP</b>					
Under 30 years	469	192	130	40.9%	27.7%
30-50 years	1,523	238	307	15.6%	20.2%
Over 50 years	565	28	78	5.0%	13.8%
<b>TOTAL</b>	<b>2,557</b>	<b>458</b>	<b>515</b>	<b>17.9%</b>	<b>20.2%</b>

## GENDER DIVERSITY BY FUNCTIONAL LEVEL

GRI 405-1

	MEN	%	WOMEN	%
Board of Directors*	4	100%	0	0.0%
Executive Management	7	77.8%	2	22.2%
Management	140	73.3%	51	26.7%
Office	78	40.6%	114	59.4%
Operations	1,676	94.5%	98	5.5%
Technical	215	65.3%	114	34.7%
Sales	18	29.0%	44	71.0%
<b>TOTAL</b>	<b>2,134</b>	<b>83.5%</b>	<b>423</b>	<b>16.5%</b>

\* The board of directors is not included in the total.

## AGE DIVERSITY BY FUNCTIONAL LEVEL

GRI 405-1

	<30	%	30 - 50	%	>50	%
Board of Directors*	0	0.0%	1	25.0%	3	75.0%
Executive Management	0	0.0%	4	44.4%	5	55.6%
Management	5	2.6%	108	56.5%	78	40.8%
Office	27	14.1%	123	64.1%	42	21.9%
Operations	353	19.9%	1,044	58.9%	377	21.3%
Technical	72	21.9%	211	64.1%	46	14.0%
Sales	32	21.0%	32	51.6%	17	27.4%
<b>TOTAL</b>	<b>470</b>	<b>18.4%</b>	<b>1,522</b>	<b>59.5%</b>	<b>565</b>	<b>22.1%</b>

\* The board of directors is not included in the total.

## DIVERSITY AND INCLUSION

**We are dedicated to creating an inclusive workplace free from discrimination and harassment, where individuals can thrive based on their own merit.**

69.4% of our workforce belongs to operations, an area where women's participation is historically low. Since 2021, Fitesa recorded a 0.4 p.p. increase in the total percentage of women, and a 1.0 p.p. increase in women in operations. Considering only positions outside operations, women participation reached 41.5% in 2023.

In order to support this development further, in 2023, Fitesa continued the Fitesa European Women Mentoring Program, launched in 2022, with the purpose of empowering women in our company and giving them the opportunity to support each other in their professional and personal growth.





The Fitesa European Women Mentoring Program matched 36 participants in 18 mentor/mentee pairs. Mentors were selected based on their distinguished experience and career paths, as well as their motivation, communication, and relational skills, and went through a series of training sessions before starting their mentorship journey.



**Fitesa European Women Mentoring Program**

Over a period of nine months, we met regularly to identify challenges and areas of improvement. By setting SMART goals for each improvement area, and by reflecting on the achievements, the program led to new ideas for reflection and supported the development of future career strategies.

The Mentoring Program offered a great opportunity to increase skill levels on both sides, to develop leadership capability by meaningful dialogues and to exchange experience across sites and management levels. The launch of the program has shown the commitment of the organization to individual growth so people can reach their full potential. In our case, the program was a great fit, and the exchange has benefited us both: mentee as well as mentor.

**Deborah Wolf**  
Process Manager



**Ágnes Horváth**  
Plant Manager



**I feel deeply honored to receive the Equilibrista Award.**

This esteemed recognition within the business community, often compared to the "Oscar" of the finance sector, holds great significance for me. It stands as a testament to the values I hold dear and the goals I aim to achieve in my professional journey. And I immensely grateful to Fitesa for the learning and growth opportunities that have allowed me to demonstrate my capabilities.

**Lavinia Leite**  
Sr. Director Corporate Controlling & M&A

The Equilibrista Award recognizes finance executives, from the Rio Grande do Sul state, in Brazil, who have stood out for their achievements throughout their careers and activities during the year. Lavínia made history as the first woman to win the award.

## DEVELOPMENT AND TRAINING

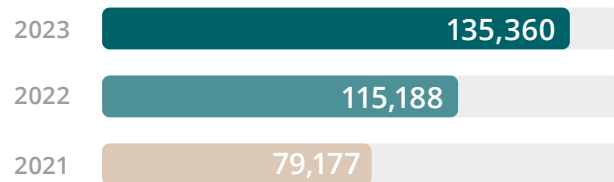
Employee development is one of Fitesa's management practices, and we believe in training, especially "on-the-job", as a key tool to sustain the continuous improvement of our people and the organization.

Besides global training programs on common priorities such a safety, each location has the autonomy and responsibility to promote specific training to suit each operation's needs.

In 2023, we offered a record-high 135,360 hours of training, averaging 53 hours per employee. This achievement was supported by the extension of our learning management system rollout to all facilities in the Americas. This system simplifies the monitoring of employee training according to their roles. Our goal over the next few cycles is to continue expanding this tool to the Company's other facilities around the world.

### Total Training Hours

GRI 404-1



**The "Smart Solutions" contest is a great example of how Fitesa fosters accountability and meritocracy across the company, providing an incredible opportunity to showcase local innovations to the entire organization.**

I have had the honor of being the project sponsor for the winning projects in the contest's first two editions. Fitesa consistently provides me with autonomy and an open environment to create and implement innovative approaches. Fitesa offers a clear vision and goals instead of imposing standard solutions for all operations, respecting individual demands, culture and market scenarios.

**Rodolfo de Almeida**  
Process Manager

## INTERNSHIP EXPERIENCE

Across the world, Fitesa provides school and university students the opportunity to learn more about the business world and their areas of study through internship programs. In 2023, Fitesa offered 71 internship experiences, and we are proud to report that 63.4% were either hired or are still active interns.

## SMART SOLUTIONS

The Smart Solutions award is a global initiative to recognize and highlight our employees' best practices in our four company drives: safety, quality, sustainability, and efficiency. The winners for best project receive a monetary prize and the opportunity to present their project to Évora's executives at Évora's end-of-year meeting in Brazil.

The 2023 edition received forty-one applications. For the second consecutive year, a team from Fitesa Gravataí (BRA) was recognized for their Smart Solution on efficiency.

**PERCENTAGE OF EMPLOYEES WHO RECEIVE PERFORMANCE REVIEW**

GRI 404-3

**BY EMPLOYEE CATEGORY**

Executive Management	100%
Management	92.7%
Office	81.0%
Operations	47.0%
Technical	63.2%
Sales	87.1%

**TRAINING HOURS PER REGION**

GRI 404-1

**TOTAL AVERAGE PER EMPLOYEE**

United States	65,023	25
Latin America	49,511	19
Europe	12,186	5
Asia	8,640	3
<b>TOTAL</b>	<b>135,360</b>	<b>53</b>

I believe as an organization Fitesa owes its employees an organized and structured training strategy. In the United States we have seen that each person has a unique way of understanding and doing things. This diversity is healthy and necessary and enriches our workplace. However, it brings a challenge for us to maintain and provide the same quality of training for all types of learners. **Our learning management system (LMS) HR Connect has been a game changer in our way to get to our employees.** During 2023 the USA training department has successfully added the Quality, Logistics, HS&E, and Production departments to

our learning matrix and onboard training. Which means that we are getting closer to granting an equal opportunity for any employee to learn and exceed themselves with fair and proper theoretical and hands-on training.

**Personally, the Training Department has given me the chance to give back the opportunities to other new employees that once were given to me. Here is where our jobs make changes in people's lives.**

**Aksell Pupo Duarte**  
Training Manager





Fitesa is a growing organization, and to keep pace with this expansion, we've aligned our Human Resources department with the use of technology to enhance strategic personnel management.

**In 2023, we successfully digitized employee evaluation processes and the succession plan, both now accessible on HR Connect.** This platform centralizes data access and automates HR-related tasks, allowing our managers to efficiently handle strategic HR activities in a quick, practical, cost-effective manner. For employees, this means tracking their performance, enhancing engagement and motivation, and feeling valued in an environment that promotes continuous learning and growth.


**We are well-prepared for the challenges ahead and plan to continue investing in technologies that optimize processes. This investment enables us to dedicate more time to our primary HR goal: the development of our people.**


**Cristine Oliszewski**  
Human Resources Manager Brazil

**Dionatan Cunha**  
HR Specialist

**PERCENTAGE OF EMPLOYEES WHO RECEIVE PERFORMANCE REVIEW BY GENDER**

GRI 404-3

 WOMEN:  
**69.2%**

 MEN:  
**53.8%**

**HEALTH AND SAFETY**

GRI 3-3 | 403-1 | 403-2 | 403-4 | 403-8

**The health and safety of our employees is our number one priority. As stated in our Health and Safety policy "no activity is so urgent that it cannot be performed in a safe manner."**

Our health and safety management system is a combination of this commitment and respect for legal regulation, and each facility maintains a local organization to monitor compliance with all applicable requirements.

Fitesa's Health & Safety strategy is inherently aligned with our operational strategy and applies risk assessments as the main tool for identifying, assessing, and eliminating work-related hazards and risks (read more on [page 22](#)).

It also requires that all facilities have a management system that is certifiable in accordance with ISO 45001 and that they maintain a behavior-based safety program.

We monitor facility adherence to these protocols through our yearly corporate management system audit. Occasionally we also hire outside risk assessment audits.

Our health and safety management system covers all the work performed in our production facilities in all operational areas and includes all employees and third-party workers.

Moreover, Fitesa invests in the maintenance and improvement of its safe infrastructure to provide our teams with continuously healthier and safer working environments. During the year, Fitesa invested 1.4 million USD into quality and safety capital expenditure projects.



## Golden Rules

In 2022 we launched the “Safety Golden Rules” a set of “unbreakable” rules aiming to simplify the communication and understanding of our main risk areas, thus helping us to eliminate fatalities, as well as significant and high potential accidents related to behavioral factors. It applies to all employees and sub-contractors.

According to our Safety Golden Rules, every member of the workplace has the obligation and authority to stop unsafe work. This procedure has the clear stated goal of “promote safe attitudes and reinforce the right to refuse work.”

During 2023, we continued with several training and engagement actions for our employees and sub-contractors, in order to increase everyone's knowledge about the Safety Golden Rules, mitigating the probability of accidents and risks in operations.



## LOCKOUT TAGOUT

Whenever a worker performing service or maintenance may be exposed to any form of hazardous energy, LOTO (Lock Out Tag Out), should be employed. Rule of thumb is to use LOTO whenever: a machine guard must be bypassed and/or a worker must place any part of his body in a danger zone or point of operation.



## PERSONAL PROTECTIVE EQUIPMENT

All PPE should be worn when around potential hazards as described by the procedures and work instructions of the location. The PPE should be worn as instructed to maximize the protection of the wearer.



## RISK ASSESSMENT

Plants should do a complete risk assessment of their lines, processes, and any other activity done routinely. After assessing the different activities higher risks should be prioritized and reduction projects planned. Non-routine tasks should have a risk assessment done prior to start.

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## MACHINE SAFEGUARDING

Machine guards and safety devices should be on, functioning, and protect the worker from hazards. The guards should prevent contact, be secured and tamper proof, create no new hazard and not interfere with the machine's operation.

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## TOOLS & EQUIPMENT

All tools and equipment should be inspected prior to use and any issues addressed. Only authorized and trained associates are allowed to use certain tools and equipment, check with supervisor or safety team.

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## FALL PROTECTION

Working from heights requires an assessment and the following of local regulations. Wearing of the required fall restraint is mandatory above the local elevation threshold.

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## HANDS & FINGERS

Always be aware of where your hands and fingers are placed in and around machines and tools. Pinch points/Nip points are extremely hazardous to hands and fingers, avoid at all costs.

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## POWERED LIFTING EQUIPMENT

When using any powered lifting equipment inspect the device and attachments (report any defective equipment), know your path, and make sure pedestrians are always in a safe distance away. Only certified operators should use powered lifting equipment.

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### ACCIDENT INVESTIGATION AND PREVENTION

Fitesa uses a global system to record and investigate accidents, ensuring the identification of their root causes and the deployment of corrective actions (learn more on [page 23](#)). All recordable incidents are communicated to the entire organization through a safety alert. We also issue safety alerts on non-recordable incidents that can serve as learning opportunities for other facilities, always encouraging prevention.

**In 2023, we recorded zero fatalities and the lowest recordable incident rate since 2017.** These positive results are attributed to the intense work to promote safe behavior, the robust safety risk assessment

process, and the good safety standards in place. Nevertheless, one accident involving an employee who fell due to a slippery floor was classified as high consequence because of the time he had to stay away from his duties to fully recover from the injury.

Historically, unsafe behavior, lack of risk awareness, and noncompliance with procedures have been the main hazards that pose a risk of high-consequence injuries. The main types of work-related injuries recorded in 2023 were the same as in 2022: caught in between, struck by an object, falls/trips/ slips, struck against an object, and exposure to extreme temperature.

### HEALTH AND SAFETY INDICATORS

GRI 403-9

TYPE OF INJURY	2021		2022		2023
	RATE	NUMBER	RATE	NUMBER	RATE
Fatality	0.0	0.0	0.0	0.0	0.0
High Consequence	0.0	0.0	0.0	1	0.4
Recordable	0.98	23	0.85	21	0.79

# VALUE TO THE ENVIRONMENT

**Fitesa is committed to reducing and, wherever possible, eliminating any harm that our activities bring to the environment.** We also work in close collaboration with our suppliers and customers to develop more sustainable solutions from cradle to grave.

## 2025 ROADMAP

### 10% reduction

in Energy Consumption (KWh/MT Q1) of current operations

Original Baseline (2017):	Target (2025):	Actual (2023):
<b>1,722</b>	<b>1,550</b>	<b>1,912</b>

### ENERGY INTENSITY (GJ/MT)

GRI 302-3

	2021	2022	2023
GJ/MT	7.26	7.89	7.96
GJ/MM sqm	132.10	140.01	137.36

## ENERGY

GRI 3-3

Fitesa operates electricity-intensive production processes that are our primary source of CO<sub>2</sub> emissions after raw materials. For this reason, we place a major focus of attention on energy efficiency measures that reduce the economic and environmental impact of our operation.

We employ a data-driven energy management system to identify and eliminate losses and apply a number of widespread, well-known measures. Our Energy Committees monitor energy consumption and promote best practices throughout our plants.

In 2023, our energy intensity was affected by a reduction in the average basis weight of our products, which has an important impact on the energy consumption of our process. The energy intensity by square metre of production was reduced due to better efficiency.

During the year, Fitesa invested 1.7 MM USD in energy efficiency capital expenditure projects.





Energy management will always be a challenge, specially in worldwide companies as Fitesa and in markets such as ours, in which product technology plays a key role in energy efficiency.

In recent years, we have dedicated our efforts to the transformation of data into useful information, which allows us to better understand the behavior of different processes and develop tailored solutions.

**We have implemented regional energy committees as our tool of communication to share best practices and track operational results, and we are transforming our EMS into truly a data-driven management system.**

**Bruna Albela**  
Global Energy Specialist

**TOTAL ENERGY CONSUMPTION (GJ)\***

GRI 302-1

	2021	2022	2023
Nonrenewable	1,953,547	1,921,030	1,889,278
Renewable	904,351	894,067	933,403
Self Generation	146,676	133,306	128,414
<b>Total</b>	<b>3,004,574</b>	<b>2,948,402</b>	<b>2,951,094</b>

\* Values in the total row may be off by one due to rounding.

**ENERGY CONSUMPTION BY TYPE (GJ)\***

GRI 302-1

	2021	2022	2023
Electrical	2,131,214	2,051,429	2,066,241
Natural Gas	867,876	892,008	881,840
Diesel	1,032	1,137	1,470
Gasoline	1,322	1,228	967
Propane	3,130	2,560	576
<b>Total</b>	<b>3,004,574</b>	<b>2,948,402</b>	<b>2,951,094</b>

\* Values in the total row may be off by one due to rounding.

## EMISSIONS

The electricity used to run our production lines is the main source of CO<sub>2</sub> emissions at Fitesa's facilities (after raw materials), and it is highly dependent on the energy matrix of the countries where we operate. For this reason, the availability and business feasibility of alternative, lower-emission sources and green certificates are key strategies to reduce our CO<sub>2</sub> footprint.

In 2023, Fitesa installed 2,225 solar panels in our High Point (USA) facility with a installed power capacity of 1,000 kWp. This project was the second of its kind in Fitesa's history, following a similar installation in Rayong (THA) in the year 2022.

**Fitesa has also decided to expand the horizon of our environmental goals by committing to achieve by 2030 a 40% reduction in the emission intensity of the electricity we purchase, compared to 2020.**

Finally, **in 2023, Fitesa performed a preliminary analysis of its scope 3 emissions**, which validated our strategy of focusing our efforts on electricity consumption and alternative raw materials as the key pillars to reducing our environmental impact.

In terms of results, 2023 emissions were slightly higher following the energy consumption levels and were also impacted by the decline in the average basis weight (normalized to square metres) of our total production. We follow the GHG Protocol standard to track our emissions performance and use DEFRA 2018 for our conversion factors for GHG emissions calculation.

### DIRECT GREENHOUSE GAS EMISSIONS - SCOPE 1 (TCO<sub>2</sub>)

GRI 305-1

	2021	2022	2023
	43,732	44,909	44,289

### DIRECT GREENHOUSE GAS EMISSIONS - SCOPE 2 (TCO<sub>2</sub>)

GRI 305-2

	2021	2022	2023
	197,765	187,231	189,668

### INTENSITY OF GREENHOUSE GAS EMISSIONS (TCO<sub>2</sub>/MT OF ADJUSTED PRODUCTION)

GRI 305-4

	2021	2022	2023
tCO <sub>2</sub> e/MT	0.58	0.62	0.63
tCO <sub>2</sub> e/MM sqm	10.62	11.02	10.89

### TOTAL CO<sub>2</sub> FOOTPRINT SOURCE

Scope 3 - Purchased goods and services (mainly raw materials)	68%
Scope 2	17%
Scope 3 - Others	11%
Scope 1	4%

## 2025 ROADMAP

### 10% reduction

in Scope 1 + Scope 2 Emissions (CO<sub>2</sub>e/MT Q1) of current operations

ORIGINAL BASELINE (2017):

**0.44**

TARGET (2025):

**0.39**

ACTUAL (2023):

**0.45**

## WATER

GRI 3-3

Our production process uses water mostly for cooling. This water is uncontaminated and disposed of without causing any environmental impact.

In 2023, water consumption increased significantly due to the increase in the production of hydroformed films.

Despite the absolute increase, it does not represent a significant impact in the normalized consumption. Still, Fitesa continues to monitor these results at plant level and discuss improvement actions through our HSE committees.

### WATER CONSUMPTION (MEGALITERS)

GRI 303-5

	2021	2022	2023
Megaliters	671	653	1,081
Megaliters/MM sqm	0.03	0.03	0.03

## WASTE MANAGEMENT

GRI 3-3 | 306-1 | 306-2

Fitesa's manufacturing waste comes mostly from trims from the process of cutting the edges of the nonwoven rolls. For this reason, we employ significant recycling capacity to transform these bi-products back into raw materials. Other sources of waste include transition of specifications (such as colors or treatments), products that were not approved by quality control, and waste from the use of other inputs.

All facilities monitor and manage waste generation and disposal with the ultimate goal of eliminating or reducing all waste to landfill to the lowest possible amount. Results are reported monthly and consolidated by corporate for analysis against our 2025 goal and, if necessary, definition of countermeasures.

In 2023, our total waste increased significantly, mostly due to a change in legislation in Tianjin (CHI) that required the installation of a powerful filtration system to reduce the presence of particles in the effluents. Considering fluff pulp (a highly absorbent product) is the main raw material utilized in this location, Fitesa estimates that 75% of the additional weight waste generated refers to water and explains around 61% of the total increase. The remaining increase is distributed among facilities and regions and can be partially attributed to the expansion of our production capacity.

It is important to acknowledge that several facilities recorded an important reduction in the amount of waste normalized to production, and 10 facilities achieved zero waste to landfill.

### TOTAL WASTE GENERATED (KG)

GRI 306-3

	2021	2022	2023
Composting	777,368	715,732	863,099
Incineration	18,614,803	15,507,687	18,398,623
<b>Total</b>	<b>19,392,171</b>	<b>16,223,419</b>	<b>19,261,722</b>

### HAZARDOUS WASTE DESTINATION (KG)\*

GRI 306-3 | 306-4 | 306-5

	2021	2022	2023
Composting	0	0	0
Incineration	599,449	522,086	605,540
Landfill	24,379	15,629	9,410
Recovery	106,432	102,558	150,125
Recycling	47,097	75,460	34,838
Reuse	11	0	63,186
<b>Total</b>	<b>777,368</b>	<b>715,732</b>	<b>863,099</b>

\* Values in the total row may be off by one due to rounding

The United States represents 35% of our total waste generation and 96% of our waste-to-landfill disposal. In 2023, the teams worked on mapping waste streams, improving data collection, and developing partnerships to reduce waste generation and improve its destination. Preliminary results already point to significant improvements in all facilities.

### NON-HAZARDOUS WASTE DESTINATION (KG)\*

GRI 306-3 | 306-4 | 306-5

	2021	2022	2023
Composting	88,284	97,965	67,636
Incineration	607,805	767,139	2,893,588
Landfill	2,228,455	1,457,919	1,629,341
Recovery	1,127,002	1,438,695	1,417,059
Recycling	12,528,672	10,149,604	10,405,908
Reuse	1,257,217	880,633	1,121,993
<b>Total</b>	<b>18,614,803</b>	<b>15,507,687</b>	<b>18,398,623</b>

\* Values in the total row may be off by one due to rounding

## 2025 ROADMAP

### 50% reduction

in waste to landfill (kg/MT Q1) of current operations

ORIGINAL BASELINE (2017):

**6.25**

TARGET (2025):

**3.13**

ACTUAL (2023):

**4.30**

## MATERIAL CONSUMPTION

### GRI 3-3

Raw materials represent more than 95% of our material consumption, of which 93.9% are polymers made from fossil fuels. We thus put intensive effort into developing alternatives to lessen the environmental impact of our goods, continuously investigating novel raw materials and designs.

Our efforts also extend to cutting down on packing and shipping methods, with a particular emphasis on pallet use, which can lead to contamination and raise Scope 3 emissions due to its impact on truck and container capacity. In 2023, Fitesa Gravataí (BRA) started reusing wood pallets for low-criticality

processes such as scrap sales and vehicle floor protection for fractional loads. While our end goal is to remove all wood pallets, this measure helped reduce pallet consumption by 700 units/year, where total removal is not yet feasible. Fitesa Gravataí (BRA) also developed a process to rework paper cores from our internally sourced intermediate products and reuse them in the production of new nonwoven rolls for specific markets, preventing the consumption of 80 MT of new cores in the year.

In 2023, material consumption declined by 3.3%, reflecting the market trend of cost and plastic reduction. Consumption of renewable raw materials was also lower, attributed to the macroeconomic scenario that slowed down sales of specialty (more expensive) products, notably Biobased.

## CONSUMPTION OF MATERIALS (KG)

### GRI 301-1

	2021	2022	2023
	507,777,823	470,267,839	463,889,316

## SOURCE OF MATERIALS CONSUMED (KG)

### GRI 301-2

Renewable raw material	4.2%
Recycled	1.9%
Other	93.9%

## BIODIVERSITY

Fitesa also owns a reforestation operation through its subsidiary Rio Novo Florestal Ltda. Located in the Brazilian state of Santa Catarina, Rio Novo develops eucalyptus foresting and supplies wood products for multiple uses. The high quality of its timber makes it ideal for durable applications in lamination, sawmills, construction, agriculture, and biomass (instead of processing or cellulose and paper manufacturing).

In 2023, we reached a total planted area of 2,487.76 ha, where we apply the best environmental practices from soil preparation to harvest, with the purpose of maintaining a sustainable long-term business that has a positive impact on climate and biodiversity. This ultimately means that, while the main goal of our operation is commercial, our long-term commitment of preserving this area cultivated (that would otherwise be destined for non-forestry use) results in mitigating the release of close to 1,000,000 tCO<sub>2</sub>e into the atmosphere.

Located in a buffer zone between coastal formations and the Atlantic Forest, Rio Novo is home to a huge variety of fauna and flora, including animals that use the ecological corridors we maintain as a refuge from the high urban pressure.

The territory also maintains several fragments containing native vegetation, amounting to 502 hectares of natural conservation areas. These are protected by the Brazilian Forest Code and are duly registered in the Rural Environmental Registry (CAR).



# VALUE TO SOCIETY

## CUSTOMER RELATIONSHIP

GRI 3-3 | 416-1

Our vision is to be the preferred choice for the supply of nonwoven solutions to the global hygiene and healthcare industries. To achieve this, we must be particularly aware of our customers' needs, as well as the unique characteristics of the products and services they supply, which have a considerable impact on the health and safety of millions of people around the world.

To this end, we continue to invest in new technologies, equipment, training, and sound management practices. We believe these commitments will result in a sustainable business for our people, consumers, and communities in the short, medium, and long term.

## OUR SUPPLIERS

GRI 2-23 | 3-3

Maintaining a lasting and healthy relationship with our suppliers is crucial to the sustainability and vitality of our business.

Our Supplier Code of Conduct is the main document guiding these relationships. It is publicly available on our website and addresses the principles and guidelines that these companies must follow in their relationship with Fitesa. Purchasing teams are responsible for informing our business partners about the code and our other policies and standards.

To monitor adherence to our policies in the supply chain, in 2023 Fitesa implemented a supplier evaluation process. Targeted at critical suppliers, the assessment is performed by each facility and includes important compliance criteria, such as no forced and compulsory labour, no exposure of young workers to hazardous work, anti-discrimination policies, good safety and environmental practices, and compliance with legal requirements, among others.

## OUR COMMUNITIES

Located in Brazil, Instituto Ling is our main partner for generating positive impact on society through direct investment in social projects. They select and manage Fitesa's donations in the areas of culture, sports, youth, and the elderly. Besides curating initiatives developed by third parties, Instituto Ling also promotes scholarship programs and activities, such as concerts, workshops, and exhibitions, in its Cultural Center.

In 2023, Fitesa donated the equivalent of 550,000 USD to these projects.

Fitesa Gravataí (BRA) is a long-term supporter of Instituto Ling's Futuros Engenheiros ("Future Engineers") program. Every year, they host a visit from high school students interested in a career in engineering. In 2023, the project reached 17 students from Porto Alegre's Military School.

They also engaged in a local program ("Young protagonists in the job market") where 12 students were invited to visit our facility and develop improvement suggestions for maintenance processes.

### To encourage solidarity and care among our teams, facilities also promote fundraising campaigns.

#### SOCIAL INVESTMENT AND DONATIONS (USD)

Instituto Ling	550,000
Other projects	14,421
<b>TOTAL</b>	<b>564,421</b>

In 2023, our donation drives collected more than 3,500 units and 1,000 kg of personal care products, clothes, and nonwovens.

## END USERS

#### GRI 2-23 | 3-3

Providing customers with reliable products is the cornerstone of Fitesa's business model. Our materials are often in contact with the consumers' most sensitive skin, and therefore we take seriously the responsibility of ensuring compliance with the highest product quality and safety standards.

Our regulatory department is responsible for complying with legal and product safety requirements. Fitesa carries out rigorous safety tests of raw materials in 100% of our product categories, evaluating properties ranging from toxicity to irritability in contact with skin.

### All facilities have an ISO 9001-certifiable management system (the Fitesa Management System), supported by a Quality Assurance Policy.

Among the corporate systems developed to guarantee quality in production, we have **risk assessment, process control, validation/change control, inline QA systems, standardization, testing, and material release**. Adherence to the application of these systems is monitored through our yearly FMS corporate audit. Our quality policy also addresses material safety, with the aim of ensuring that our product is free of unwanted contaminants. We monitor raw materials and internal processes to identify and eliminate possible sources of Substances of Interest (SOIs).



In 1995, Instituto Ling was founded by the Ling family, founder and owner of Évora (our parent company), with the aim of contributing to the transformation of Brazilian society.

In addition to curating initiatives developed by external parties, Instituto Ling also champions activities within its cultural center, including concerts, workshops, and exhibitions.



Learn more at: [www.institutoling.org.br](http://www.institutoling.org.br)

## CERTIFICATIONS AS OF 2023

Certification Name  
ISO 9001:2015

Type  
Product Quality

Plants  
FitesaCNC (THA)  
Gravataí (BRA)  
High Point, NC (US)  
Jacareí (BRA)  
Norrköping (SWE)  
Peine (GER)  
Rétság (HUN)  
Sulmona (ITA)  
Trezzano Rosa (ITA)  
Washougal, WA (US)

Certification Name  
ISO 14001:2015

Type  
Environmental  
Management System

Plants  
FitesaCNC (THA)  
Jacareí (BRA)  
Peine (GER)  
Rétság (HUN)  
Sulmona (ITA)  
Trezzano Rosa (ITA)

Certification Name  
ISO 45001:2018

Type  
Health and Safety of  
Employees

Plants  
Norrköping (SWE)  
Peine (GER)  
Sulmona (ITA)  
Trezzano Rosa (ITA)

Certification Name  
Oeko Tex

Type  
Confidence in Fabrics

Plants  
Jacareí (BRA)  
Norrköping (SWE)  
Peine (GER)  
Trezzano Rosa (ITA)

Certification Name  
Green Label (ISO 14024  
Type Ecolabel)

Type  
Sustainable Products

Plant  
FitesaCNC (THA)

Certification Name  
ISO 50001:2018

Type  
Energy Management

Plant  
Peine (GER)

Certification Name  
ABNT Ecological Label

Type  
Sustainable Products

Plant  
Cosmópolis (BRA)

Certification Name  
IFS HPC

Type  
Safe and Quality Products/  
Processes

Plant  
Sulmona (ITA)

Certification Name  
HACCP

Type  
Hazard Analysis and  
Critical Control Point

Plant  
Rétság (HUN)

Certification Name  
ISCC Plus

Type  
Responsible Approach to  
Sustainable Development  
for Biobased Materials

Plants  
Cosmópolis (BRA)  
Norrköping (SWE)  
Peine (GER)  
Sulmona (ITA)  
Trezzano Rosa (ITA)

# 04.

## Attachments

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# GRI CONTENT INDEX

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER	
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1	Organizational Details	Fitesa Nãotecidos S.A. Fitesa is a private subsidiary of Évora, a Brazilian holding company.
	2-2	Entities included in the organization's Sustainability reporting	Fitesa Limited, Fitesa Italy Srl, Fitesa US LLC, Fitesa Washougal Inc, Fitesa Nonwovens Inc, Fitesa Simpsonville Inc, Fitesa Germany GmbH, Fitesa China Holdings BV, Fitesa (China) Airlaid Company Limited, Fitesa Mexico Holdings Limited, Fitesa Nonwovens Mexico SA de CV, Fitesa Peru SAC, Pantex International SpA, Pantex Mena FZ LLC, FitesaCNC Japan Co Ltd, Fitesa High Point Inc, Fitesa Terre Haute Inc, Fitesa Film Products LLC, Fitesa Indiana LLC, Fitesa Kerkrade B.V., Fitesa Retsag Kft, Fitesa Pune Private Limited. Fitesa Sweden AB, FitesaCNC Co Ltda, Fitesa Nonwovens Holding SA, Fitesa Naotecidos SA.  No mergers or acquisitions recorded in the period. The reported numbers include data from Pantex Mena FZ LLC, closed in June 2023, for its period of operation. Numbers of partially owned entities (FitesaCNC) are reported in full. Rio Novo Florestal is not included in the indicators reported, although its revenue is included in the consolidated revenue.
	2-3	Reporting period, frequency and contact point	The financial sustainability report is published annually (from January 1 <sup>st</sup> to December 31 <sup>st</sup> ).  Contact point for information: fitesamarketing@fitesa.com
	2-4	Restatements of information	The waste management data reported for 2021 and 2022 was reviewed and updated, as we found inconsistencies in the database used. For more details, check page 46.
	2-5	External assurance	Fitesa chooses not to externally assure its report.
	2-6	Activities, value chain and other business relationships	Pages 8 and 12

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER
		Page 31
	2-7 Employees	The headcount is reported according to the information extracted from our facilities' payroll systems. Where necessary, the payroll information is completed with further details collected by the local HR at each facility.
		This disclosure is not considered relevant to the organization's impacts because:
	2-8 Workers who are not employees	<p>» Fitesa does not employ workers that are not employees in core activities. Third-party workers are hired for tasks such as cleaning.</p> <p>» Third-party employees are not recruited and selected directly by Fitesa, and Fitesa does not conduct performance reviews on this type of worker.</p> <p>» Interns and apprentices, which are also not accounted in the company's headcount, are employed in learning/development roles.</p>
	2-9 Governance structure and composition	Page 14
	2-10 Nomination and selection of the highest governance body	Confidentiality constraints: As a private company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.
	2-11 Chair of the highest governance body	Page 14
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 14
	2-13 Delegation of responsibility for managing impacts	Page 14
	2-14 Role of the highest governance body in sustainability reporting	Page 14
	2-15 Conflicts of interest	Confidentiality constraints: As a private company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER
2-16	Communication of critical concerns	Confidentiality constraints: As a private company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.
2-17	Collective knowledge of the highest governance body	Page 14
2-18	Evaluation of the performance of the highest governance body	Confidentiality constraints: As a private company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.
2-19	Remuneration policies	Confidentiality constraints: As a private company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.
2-20	Process to determine remuneration	Confidentiality constraints: As a private company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.
2-21	Annual total compensation ratio	Confidentiality constraints: As a private company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.
2-22	Statement on sustainable development strategy	Page 5
2-23	Policy commitments	Pages 14, 17, 23, 29, 45, and 46
2-24	Embedding policy commitments	Pages 14, 17, 20, 23, and 29
2-25	Process to remediate negative impacts	Page 27
2-26	Mechanisms for seeking advice and raising concerns	Page 17
2-27	Compliance with laws and regulations	Confidentiality constraints: As a private Company, Fitesa considers the information about the work of its governance body confidential and cannot report it publicly.
2-28	Membership associations	Page 11

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER
	2-29 Approach to stakeholder engagement	Page 27
		Page 29
	2-30 Collective bargaining agreements	For employees not covered by collective bargaining agreements, Fitesa follows the standard local industry practices, always respecting labor laws.
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 26
	3-2 List of material topics	Page 26
<b>MATERIAL TOPIC: SAFETY AND CONVENIENCE FOR CUSTOMERS</b>		
<b>Product Safety And Quality</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 45 and 46
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of customer health and safety impacts of product and service categories	Page 46

STANDARD	DISCLOSURES	REFERENCE / DIRECT ANSWER	
<b>MATERIAL TOPIC: EMPLOYMENT AND WELL-BEING</b>			
<b>Occupational Health and Safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 36
	403-1	Occupational health and safety management system	Page 36
	403-2	Hazard identification, risk assessment, and incident investigation	Page 36
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 36
	403-8	Workers covered by an occupational health and safety management system	Page 36
	403-9	Work-related injuries	Page 39 Rates are calculated based on a 200,000 hours week. Fitesa does not employ third-party workers in its core activities, and therefore, third parties are not included in our injury tracking system.
<b>Talent attraction and retention</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 31
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	Page 31
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	Pages 34 and 35
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	Pages 35 and 36
<b>GRI 405: Diversity 2016</b>	405-1	Diversity of governance bodies and employees with percentage of individuals by gender, age group, minority or vulnerable groups and other indicators of diversity	Page 32

STANDARD	DISCLOSURES		REFERENCE / DIRECT ANSWER
<b>Material topic: Ethics and fight Against corruption</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 14
<b>GRI 205: Anti-corruption 2016</b>	205-2	Communication and training about anti-corruption policies and procedures	Page 19
<b>MATERIAL TOPIC: RISK AND OPPORTUNITY MANAGEMENT</b>			
<b>Risk management framework and best practices</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 14
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	The company does not report its financial informations for strategic reasons. Only social investment data is reported.
<b>MATERIAL TOPIC: ENVIRONMENTAL IMPACTS</b>			
<b>Management of greenhouse gas emissions</b>			
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	Page 42
	305-2	Energy indirect (Scope 2) GHG emissions	Page 42
	305-4	GHG emissions intensity	Page 42
<b>Energy use management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 40
<b>GRI 302: Energy 2016</b>			Page 41
	302-1	Energy consumption within the organization	Energy information is reported based on the electrical bills or own measurement systems where applicable. Carbon Trust conversion factors are used.
	302-3	Energy intensity	Page 40

STANDARD	DISCLOSURES		REFERENCE / DIRECT ANSWER
<b>Waste Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 46
	306-1	Waste generation and significant waste-related impacts	Page 46
	306-2	Management of significant waste-related impacts	Page 46
<b>GRI 306: Waste 2020</b>	306-3	Total weight of waste generated in metric tons	Page 46
	306-4	Total weight of waste diverted from disposal in metric tons	Page 46
	306-5	Total weight of waste directed to disposal in metric tons	Page 46
<b>Use of material</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 44
<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume	Page 44
	301-2	Recycled input materials used	Page 44
<b>Water use management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Page 42
<b>GRI 303: Water and Effluents 2018</b>	303-5	Water consumption	Page 42

# SDG MAP



Page 25



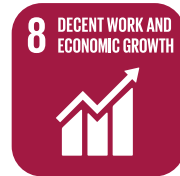
Pages 7  
and 25



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Page 25



Page 25



Pages 7  
and 25



Pages 7  
and 25



# SAFE HARBOR STATEMENT

This report includes forward-looking statements. You can identify our forward-looking statements by words such as “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plans”, “predict”, “project”, “schedule”, “seeks”, “should”, “target” or other words that convey the uncertainty of future events or outcomes. Although we believe that the expectations reflected in those forward-looking statements are reasonable, they have been based on certain beliefs and assumptions as to future events, and those expectations may prove to be incorrect.

These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict.

Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

Forward-looking statements speak only as to the date of this report.

Important factors that could cause actual results to differ materially from those discussed in such

forward-looking statements include, among other things, general economic factors; cost and availability of raw materials and labor and other resources; changes to selling prices to customers which are based, by contract, on an underlying raw material index; potential inability to maintain sufficient liquidity to finance our operations and make necessary capital expenditures; ability to meet existing debt covenants or obtain necessary waivers; ability to achieve successful or timely start-up of new or modified production lines; reliance on major customers and suppliers; domestic and foreign competition; information and technological advances; risks related to operations in foreign jurisdictions; and changes in environmental laws and regulations.

Other factors that could cause actual results to differ materially from those described in the forward-looking statements in this report include other economic, business, competitive and/or regulatory factors affecting Fitesa Nãotecidos S.A.’s business generally. Fitesa Nãotecidos S.A. is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

fitesa