

Environmental Policy

FITECOM S.A. Environmental Policy

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Context

Environmental policy is essential for Fitecom and applies to all operations. Basic management controls are in place to document, measure, and track environmental indicators, ensuring continuous improvement. This improvement is based on careful selection and restriction of chemical products, improved air quality, and management of water use, wastewater, waste, energy, and gaseous emissions.

Environmental management is a administration system that emphasizes sustainability, implying the reduction of the environmental impact of economic activities on natural resources. Fitecom, S.A. recognizes that preserving the environment is a fundamental responsibility and a strategic pillar for its sustainable growth.

The company is committed to integrating sustainability principles into all its operations, from product design to final finishing, ensuring compliance with applicable legislation and continuous improvement of environmental performance.

- Environmental Policy

Fitecom has clearly defined principles and objectives regarding overall environmental performance, establishing annual environmental targets that it intends to meet.

This commitment focuses on more sustainable processes, and at the same time, there is a growing interest in the development and production of products, highlighting the use of materials with lower environmental impacts, including products certified OEKO-TEX STANDARD 100, RWS and/or GRS.

Fitecom uses natural resources rationally and sustainably, having implemented a system for reusing process water and harvesting rainwater early on.

All employees receive training on sustainability, certification requirements, best practices for water and energy use and emission reduction, separation of industrial and domestic waste, and biodiversity and land protection.

Fitecom is committed to continuous improvement and pollution prevention, acting in the following areas:

- Chemical Restrictions

Fitecom is increasingly concerned about the environment and its surroundings, which is why it has created collections made with wool from flocks raised on pastures free of any type of pesticide or other chemicals, as well as wool and polyester from waste from various production areas: dyeing, carding/spinning, warping, weaving, and finishing. Mechanical finishes are prioritized over chemical ones, although all meet the requirements of OEKO-TEX 100 (class II) and Fitecom's RSL and MRSL requirements. All inherently problematic substances, classified as hazardous to human health and/or the environment by REACH and/or that do not meet the ZDHC restricted substances list of the MRSL, are immediately excluded.

Since Fitecom sources all its chemicals from the EU, it is legally required to ensure that all chemicals used in the production of its products comply with Regulation (EC) No 1907/2006 (REACH), taking into account EU legislation and Regulation (EC) No 1272/2008 (CLP), thus guaranteeing the protection of human health and the environment. Even so, it reinforces the commitment of its suppliers to submit an annual declaration of compliance with its RSL and MRSL requirements.

All fabrics sold by FITECOM are certified by OEKO-TEX 100 (class II), a globally recognized ecological standard for textile safety. A product with this certification has undergone rigorous laboratory testing to ensure it does not contain chemicals harmful to health.

The handling of chemicals is carried out taking into account the information in the Safety Data Sheets. The chemicals used in production must not cause unnecessary harm to the environment or to workers.

In ANNEX 1 we can find the document sent to all suppliers so that they comply with the Restricted substances list of FITECOM.

Fitecom has a Chemical Product Management System where this topic is described in greater detail and includes a procedure for action in case of chemical spills, and a spill simulation is carried out annually at the facilities.

- Water Use

Water management plays an important role. The textile industry is known for its significant water consumption, especially during finishing and dyeing processes. Efficient water management involves complying with legal requirements regarding water intake and disposal, as well as rigorous monitoring of its use, reuse, and waste reduction.

Fitecom recognizes its environmental responsibilities and strives to minimize its impact by optimizing water use, reusing some process water, and utilizing rainwater. Fitecom has implemented optimization practices throughout its industrial process to reduce water consumption in a responsible manner.

Fitecom is part of the GIATEX project– Gestão Inteligente de Água na Indústria Têxtil e do Vestuário, which is coordinated by CITEVE and aims to manage water consumption more efficiently and rationally.

Soon, Fitecom will reuse more than 60% of the water it consumes, through an investment in the construction of a wastewater treatment plant.

- Wastewater Management

Fitecom understands the importance of monitoring wastewater, from homogenization to meeting legal discharge requirements, and conducts periodic analyses. Fitecom is authorized to discharge wastewater into the public sewer system and has implemented an internal wastewater management and spill risk prevention procedure.

Fitecom is in the process of constructing a wastewater treatment plant, which should be operational by the end of 2026. This investment in circularity, amounting to approximately 1,2 million euros was developed within the GIATEX consortium (Gestão Inteligente da Água no ITVT) and will allow Fitecom to recover 60% of the water used in its production process. In this way, Fitecom will not only recover water but also reduce its carbon footprint.



- Waste Management

Waste management, a key component in the pursuit of sustainable practices in the textile industry, encompasses the identification, separation, collection, and treatment of discarded materials (e.g., fabric scraps, yarns, chemicals, defective products).

Proper waste management aims to reduce the amount of material sent to landfills, promoting recycling and reuse whenever possible. Thus, minimizing solid waste contributes to reducing environmental impact.

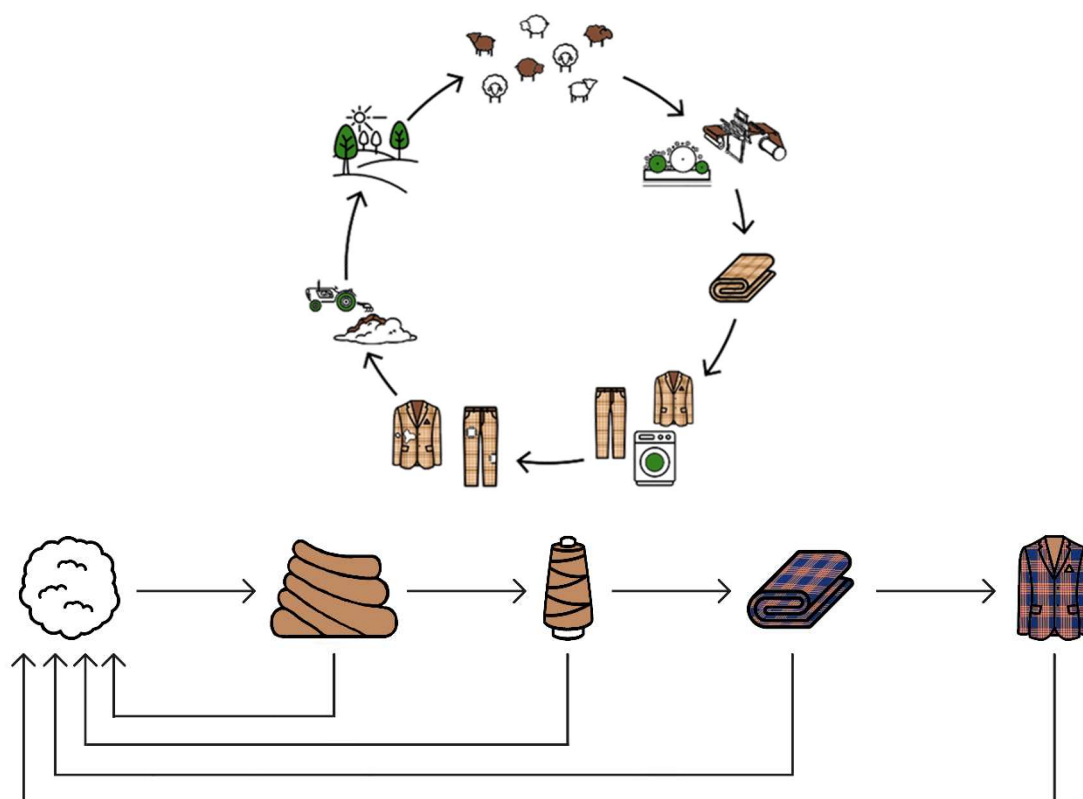
Wool has unique properties inherent to comfort and suitability for use, capable of meeting the most stringent demands in clothing. Its biodegradability translates into a clean environment, leaving no residue.

All process waste, whenever possible, is separated and treated to be redirected for reprocessing.

All relevant legal requirements related to waste management are met. Hazardous and non-hazardous waste must be separated at the time and place they are generated; burning is not permitted.

There is also a concern to minimize waste production and increase reuse or recycling.

Fitecom values the use of sustainable, recycled and/or responsible materials.



Fitecom prioritizes the circular economy and waste valorization, has implemented a waste management system, and trains workers in this context.

Recently, a process of recycling textile waste from various production operations was initiated, in order to obtain, through mechanical recycling, recycled and certified GRS pre-consumer material that can be partially used as raw material in its products.

- Energy Use

The use of renewable energy instead of non-renewable energy reduces carbon emissions and offers a low-cost energy source in the long term.

Energy efficiency combined with the use of renewable energies allows for reduced energy consumption, minimized emissions, and increased more sustainable production practices.

Fitecom regularly conducts energy audits with the aim of implementing or modifying systems that can promote reduced energy consumption. It also recovers and utilizes "hot" water from the cooling process of the dyeing equipment.

At the end of June 2023, photovoltaic panels became operational at Fitecom, an investment of over 700 000 euros with the capacity to produce one megawatt, which should meet, on average, 28% of the company's energy needs.

With more than 1,800 modules installed on the roof, Fitecom also decided to invest in the installation of a photovoltaic car park, providing more than 100 shaded parking spaces for its customers and employees.

This investment will allow for an immediate and very significant reduction in the company's energy consumption. In addition, Fitecom will be able to avoid approximately 676 tons of CO₂ annually, becoming a greener company and thus contributing to a significant reduction in its ecological footprint.

This leads to a reduction in energy dependence and a fundamental strategic response to mitigate the impact of one of the most expensive factors of production: the cost of energy.

Improving the energy efficiency of equipment and machinery, along with energy resource management, allows for a reduction in the carbon footprint.



- Gaseous Emissions

Reducing emissions is a fundamental objective to minimize environmental impact. Emissions refer to the release of polluting or greenhouse gases into the atmosphere, contributing to climate change and other environmental problems.

Reducing emissions in the textile industry involves adopting cleaner and more efficient production practices, from optimizing energy and water consumption to choosing sustainable raw materials and chemicals.

At Fitecom, all gaseous effluents are regularly monitored to ensure compliance with legal emission limits for the atmosphere. Monitoring gaseous effluents allows for the adaptation and implementation of solutions to improve and reduce gaseous emissions into the atmosphere.

All legal requirements are met, and there is a focus on setting targets for improving gaseous emissions and regularly reviewing the production process.

- Biodiversity and Soil Protection

The company is committed to promoting responsible textile production that integrates concrete measures to ensure the protection of soil and biodiversity, in line with European and national guidelines on industrial sustainability and the United Nations Sustainable Development Goals..

- Certification and Continuous Improvement

Sustainable processes take into account the preservation of resources and the mitigation of negative environmental impacts. In the textile industry, investment in sustainable processes is essential to minimize environmental impact and promote the sustainability of companies. Circularity projects are emerging strategies in the textile industry that aim to minimize waste and extend the life cycle of products, which can be achieved through the recycling of materials..

Certifications play a crucial role in ensuring sustainable practices in the textile and apparel industry, attesting that products and processes meet certain environmental and social standards. Replacing manufactured materials with more environmentally friendly alternatives, such as natural or recycled fibers, is a choice aimed at reducing the environmental impact of textile production and ensuring that products have less impact on the planet. Ecologic labels allow the identification of textile products that are aligned with high standards of sustainability and social responsibility, highlighting more ecological and ethical textile production..

Fitecom has implemented the following certifications:

WOOLMARK

Woolmark guarantees that the product is made from natural, renewable, and biodegradable wool, and meets rigorous quality standards.

OEKO-TEX® STANDARD100

This certificate attests that the product has undergone safety testing to detect harmful substances and is therefore harmless to human health.

GRS

It certifies recycled material, guaranteeing its integrity throughout the entire chain of custody, and imposes rigorous social, environmental, and chemical requirements. It ensures that production is responsible, transparent, and safe for people and the environment.

RWS

RWS certifies the wool and guarantees animal welfare (identification of sick/injured animals; shearing procedures, stunning methods and slaughter methods) and good land management practices, which include protecting land quality, biodiversity and native species.

Environmental Commitment

Fitecom maintains a strong commitment to the transparency of its environmental practices:

- ***Integration of environmental criteria into strategic and investment decisions.***
- ***Conducting periodic internal audits to identify opportunities for improvement and review the environmental management policy.***
- ***Training and engaging all employees in meeting environmental objectives.***
- ***Open and transparent communication with clients, suppliers, employees, authorities, and the local community regarding environmental performance.***
- ***Establishing targets and performance indicators for all environmental areas.***
- ***Commitment to sustainable innovation as a means of competitive and responsible growth.***

Tortosendo, 2026/04/22

Pe' a FITECOM - COMERCIALIZAÇÃO E INDUSTRIALIZAÇÃO TEXTIL, S.A.

A Administração

ANNEX 1 - Restricted substances list of FITECOM

Fitecom is committed to satisfying customers and protecting the environment, safety and health of our employees, the community where we are located and the users of our products.

The purpose of this document is to inform our suppliers of Fitecom's policy on the chemical composition of products.

Commitment to OEKO-TEX 100 Standard, REACH regulation, Proposition 65, GB Standards, and ZDHC MRSL Conformity.

OEKO-TEX STANDARD 100 stands for customer confidence and high product safety. Every component has been tested for harmful substances and that the article therefore is harmless for human health

REACH, European Union Regulation (EC) No. 1907/2006 of December 18, 2006, concerns the Registration, Evaluation, Authorization and Restriction of Chemicals. REACH addresses the production and use of chemical substances, and their potential impacts on both human health and the environment.

The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65), State of California requires that the Governor revise and repub the list of chemicals known to the State to cause cancer or reproductive toxicity.

Chinese GB National Standards (chemicals) ensures the quality, safety and performance of products. For a product to be sold in China, these must comply with GB National standards.

Using chemical formulations that conform to the ZDHC MRSL allows suppliers to assure themselves, and their customers, that banned chemical substances are not intentionally used during production and manufacturing processes.