

PART OF YOU

A Mundotêxtil Newsletter



SPECIAL

Sustainability
Report

PART OF OUR NATURE

Sustainability
Report

PART OF ME

Cátia Pinto,
Innovation and Sustainability

PART OF US

Market Week
Modtissimo
Chestnut Roasting

06

December
2022



INNOVATION OPEN DAY

Betting on circularity has marked Mundotêxtil's agenda, so it has participated in several projects with entities of the Scientific and Technological System (SCT) that develop innovative technologies, such as Fibrenamics. The objective is always the same and well stated by Mundotêxtil's management: **“As a family business, we are committed to leaving a lasting legacy for future generations. We care about the impact Mundotêxtil has on the environment and through our passion, purpose, and geographical presence, we want to make positive change happen.”**

And because these changes cannot remain only in Mundotêxtil's knowledge, so that it can positively influence those around them, last November 2nd, Mundotêxtil held in its facilities in Vizela an Innovation Open Day intending to share the results of the TerryPlanet project. This project is co-funded by the EU through the European Structural and Investment Funds, Portugal 2020, and is being developed in close collaboration between the RDI Department of Mundotêxtil and Fibrenamics (international platform of the University of Minho for the development of products based on fibers and composi-



tes). It focuses on Mundotêxtil's principles of betting on the sustainable development of new products to reduce its environmental footprint. The TerryPlanet project aims to develop innovative terry cloths based on circular economy principles. It involves the use of emerging natural fibers that are more sustainable than cotton and the inclusion of fibrous waste from our process. It envisages increasing durability and reducing the amount of raw material used. In line with Mundotêxtil's production reality, this project focuses on the following fundamental parameters:

- //Reduce the consumption of raw materials by building new absorbent structures that consume fewer products in the dyeing and finishing phases;
- //Reuse Mundotêxtil waste in new components designed with recycled fibers;
- //Use sustainable fibers, using emerging natural raw materials (proteins and vegetables);
- //Increase the durability of terry structures through the combination of

new fibers/fabrics/finishes that allow materials with a longer life span. This project envisages the creation of a green product line, based on the following strategic goals and principles:

Incorporation of Emerging Natural

Fibers: Terry towels consisting of up to 100% natural fibers as an alternative to cotton.

Incorporation of Fibrous Waste: Recycled terry towels consisting of at least 50% of the fibrous waste from production.

Structural Engineering of Felt: Felt towels (ideally consisting of natural fibers or waste), with a 25% reduction in raw materials and a 20% increase in durability.



PURE
100% Aloe
Vera

PURE
TOWEL



NATURAL
84% Cotton/
Bamboo + 16%
Tencel/Hemp

NATURAL
TOWEL



AIRY
5% raw
material
reduction

AIRY
TOWEL



REBORN
50% Recycled
Cotton + 50%
Cotton Waste

REBORN
TOWEL



EVERLASTING
8% Raw mate-
rial reduction +
20% Increased
durability

EVERLASTING
TOWEL

MARKET WEEK

Mundotêxtil was in the “city that never sleeps”

After a 2-year break, during which we interacted with US and Canadian clients online, September marked our return to participate in the Home Textiles Market Week in New York. This is an event in which home textile suppliers participate and where our company already has a significant presence and recognition for quality and innovation.

We made our showcase at Hotel Andaz, alongside most of the other Portuguese suppliers. We believe that in this way we contribute to a significant position in the sector.

Most of the participants came to the city, but just when it seemed we had overcome

a pandemic, we are now faced with the challenges of geopolitical unrest that will inevitably be reflected in consumption in the North American market.

Customers are looking for new business models and calling for new values. Their expectations include ecologically unquestionable products, a spirit of conservation in the use of resources and greater social commitment. Paths that are already familiar to us and that guide our sustainability strategy.

We surprised them in this event, showing that despite the pandemic and the various constraints that followed it, we never stopped investing in new collections and

new products. Examples of this include the new “evolution” quality, the recycled cotton yarns, and the use of recycled polyester.

The towel we introduced as part of the TerryPlanet project in 100% Aloe Vera had the biggest impact. It was the first time that customers encountered a towel produced entirely in another fiber. We demonstrated that terry towels do not necessarily have to be made of cotton, which comes from one of the most environmentally damaging cultivation processes. These meetings also served to inform our customers about the investments we have made and continue to plan in the production process, aiming for greater energy efficiency, lower water consumption, and increased profitability.

The American market is known to be pragmatic.

We hope that the solid trust Americans already have in our company together with recent conditions - the appreciated dollar against the euro and some supply chain disruption - will make us grow in sales!

Maria Antónia Alves

Mundotêxtil's Commercial Department



MODTISSIMO

Betting on Innovation and Sustainability

Modtissimo is synonymous with textile and clothing exhibition and is the oldest in the Iberian Peninsula dedicated to the professional industry of these sectors. It was held at Exponor on September 6th and 7th, where more than 350 collections were presented in a space of 9500 m2, divided into the areas of fabrics and accessories for clothing, adult/child clothing, and services.

Innovation and sustainability are fundamental in the sector and, therefore, Associação Seletiva Moda (ASM) in partnership with CITEVE presented two showcases: iTechStyle Green Circle and iTechStyle Showcase.

This year, Mundotêxtil participated once again in this initiative and presented a creation made with towels of 71% cotton and 29% Lyocell, made with cotton waste from its production process and presenting some important benefits of lyocell, such as biodegradability, unfavorable to bacterial growth, great absorption, strength and vitality, and color retention. The goal was to develop innovative and more sustainable fabrics based on the principles of circular economy, involving the use of fibrous waste, allowing a more sustainable production with the reduction of waste generated in the process, the reduction of the number of raw materials used and resource consumption, contributing to the SDG 2030 Agenda.



HOT AND DELICIOUS

It was last November 11th that, for another year, Mundotêxtil celebrated St. Martin's Day, gathering all employees in a "magusto" (chestnut roasting) at the company's facilities to taste the hot and delicious chestnuts roasted on the spot.

"Chestnuts, roasted chestnuts with salt.

Warm, warm ones that won't cause you harm."

HAPPY S. MARTIN'S DAY.



CÁTIA PINTO

LEADING INNOVATION AT
MUNDOTÊXTIL



Working in the Mundotêxtil team since 2021, Cátia Pinto is responsible for the Department of Innovation and Sustainability. She was born in Guimarães, on a hot August day, 33 years ago, but always lived in Fafe until about half a year ago, when she moved to Oliveira de Santa Maria, municipality of Vila Nova de Famalicão, to start a life with her boyfriend, a dog and a kitten they adopted. Her best memories take her to a happy childhood without fear or imprisonment to technology. Her games were street games - hopscotch, hide-and-seek, catch, and even football. She lived surrounded by friends, free and in the street, and for this reason, she cannot understand the way children grow up today, clinging to a cell phone.

When she was a kid she had the dream of becoming an elementary school teacher, not only for the fascination of sharing knowledge but also for the passion of the chalkboards. She would even choose the English study/support room because the teacher would let her write on the chalkboard. Today her fascination is to be on the other side, the student's side, and throughout the conversation, we noticed that Cátia is the personification of Leonardo da Vinci's famous quote - "Little knowledge makes people feel proud. A lot of knowledge, make them feel humble." Too much knowledge makes people feel humble."

Cátia has enough wisdom to present herself with a humility that is rare nowadays. She has always studied and worked at the same time and therefore knows no other way of life.

Because she was an indecisive child, in the 9th grade, her father enrolled her in CENATEX (a professional school) and it

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was at the age of 15 that she started her path in textiles when she enrolled in the Technical Textile Chemist course. At the age of 18, although she wanted to continue her studies, due to a lack of resources, she started working at TMG as a Lab Technician, and it wasn't long before her colleagues encouraged her to study more. She got a degree in Management while working at TMG. Every day, after leaving her first shift (from 6 am to 2 pm), she would go home to take a shower and get something to eat, then go to class and lived this routine of work, university, with a few stops at

home to eat and rest, for 3 years. After graduating, she took the opportunity to be the Quality Manager of another textile company, but not even this greater financial and professional stability made her lose the will to continue studying and acquiring more knowledge. She enrolled in the Master of Textile Chemistry at the University of Minho and, once again, the studies served as leverage to evolve in her professional career, this time as Laboratory Manager of another company also in the sector, but in the area she had always been passionate about - textile chemistry. But for those who think Cátia would stop studying, think again: Cátia is always in search of acquiring technical and professional skills, so she added another master's to her curriculum - Human Engineering (also at the University of Minho), obtaining the Certificate of Advanced Technician of Safety at Work (recognized by ACT), and once again her effort was rewarded and she climbed another step by becoming the Director of Quality of another company in the sector. Despite greater responsibility and a higher monetary return, the pace of work was too slow for Cátia's energy and it was about time, about a year ago, that Mundotêxtil offered her a job. Now she feels that she has arrived at the place that makes her happy, and it won't be the Ph.D. in Industrial and Systems Engineering (addressing the main management systems in Industry 4.0), which she is currently doing, that will make her change this path. In fact, when asked about where she wants to be in 10 years, she says that Mundotêxtil is where she wants to be without any doubt - if not in the same position, then in a more challenging one. She doesn't dream about any specific place; an oncological disease

at the age of 27, the shock of the diagnosis, the treatments, and the uncertainty about the future have taught her not to make many plans and to accept what life gives her. She jokingly says that her dream is not to die!

She really enjoys working at Mundotêxtil and even states that "she has never liked working in a place as much as she does now". She feels the administration is very present and close to all employees and recognizes that it is essential for the work to be lighter and more united. She praises all her colleagues and the way they help each other - those she deals with on a daily basis and even those who are more distant from her day-to-day life.

She feels that her work in innovation and sustainability are essential ingredients in the strategy of Mundotêxtil and she works daily to keep up with new trends; keep up with the ideas that are launched in the MundoINNOVA program - a program created to give a voice and a body to the ideas and suggestions of all Mundotêxtil's employees which arose from a viewpoint of continuous improvement and the need to innovate. And she says proudly that it is very popular.

When asked about the projects that have made her most accomplished, she doesn't hesitate to mention the TerryPlanet project, in partnership with Fibrenamics, which gave rise to sustainable terry products and promoters of the circular economy through the use of emerging natural fibers more sustainable than cotton and the inclusion of fibrous waste from Mundotêxtil's production process, and provides for increased durability and reduction of the amount of raw material used; and the Sustainability Report.

The Sustainability Report is a great source of pride for Cátia, personally and professionally, because it was the first one made, but also for Mundotêxtil, which for the first time gathered in a single public document its practices and most significant impacts in the social, environmental and economic areas. As a methodology, Cátia used the GRI standards that served as a guide in the preparation of the sustainability report, intending to provide reliable, relevant, and standardized information. However, Cátia raises the bar by saying that in the coming year she wants to portray the report in a way that is adapted to several benchmarks other than the GRI - a more complex, but much more complete job. Another objective is to define targets or indicators that will help Mundotêxtil measure its performance and manage changes to make its activity and management more sustainable.

Cátia likes to think that the work she has done in making this document contributes to a change of mentality because talking about sustainability is to talk about survival, not only of Mundotêxtil but of the whole world. Its main goal is to contribute to adding value and enhancing the reference work that Mundotêxtil already does, but she knows that she cannot do this work alone. People make companies, that is the motto and the focus of all sustainability and innovation projects in which she is involved. The teams of the various areas of Mundotêxtil are the brains of all of them, so it is only by relying on the vast experience, know-how, and knowledge that all employees have, that it is possible to shape the projects in which Cátia is involved. She would like to call for greater participation of all in the sharing of

information and highlights Connection and Humility as the fundamental values for a great working and sharing environment. On her part, she promises that more time will be dedicated to this sharing. She says that the conditions are created by the company itself, which provides moments of interaction, health care, "treats" and offers on special days, and another series of initiatives. The easy part is up to each one of them (employees) - to make the effort to enhance this organizational culture.



A MORE SUSTAINABLE FUTURE

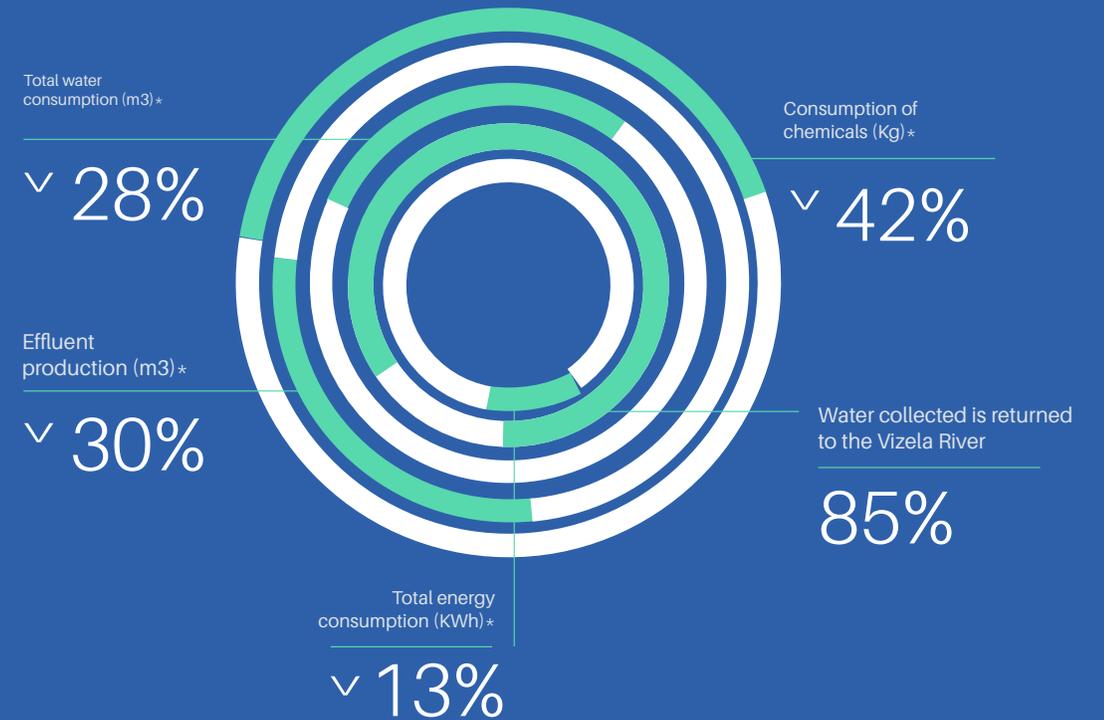
Mundotêxtil published its first Sustainability Report, referring to the economic, social, and environmental performance during the year 2021.

Mundotêxtil published its first Sustainability Report, referring to the economic, social, and environmental performance during the year 2021. We have long considered sustainability as one of the pillars of our activity and we cultivate this value in our daily conduct, but only now have we decided to materialize it in a genuine, objective, and serious way in a Sustainability Report that was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI), being externally verified by PwC, which prepared the Independent Report of Limited Assurance of Reliability. Mundotêxtil's sustainability strategy is based on three axes that guide its actions: Governance (Part of Me), Environment (Part of our Nature), and Social (Part of our People). It is through this strategy that we establish the commitments for the future in the promotion of sustainability and that we structure our contribution

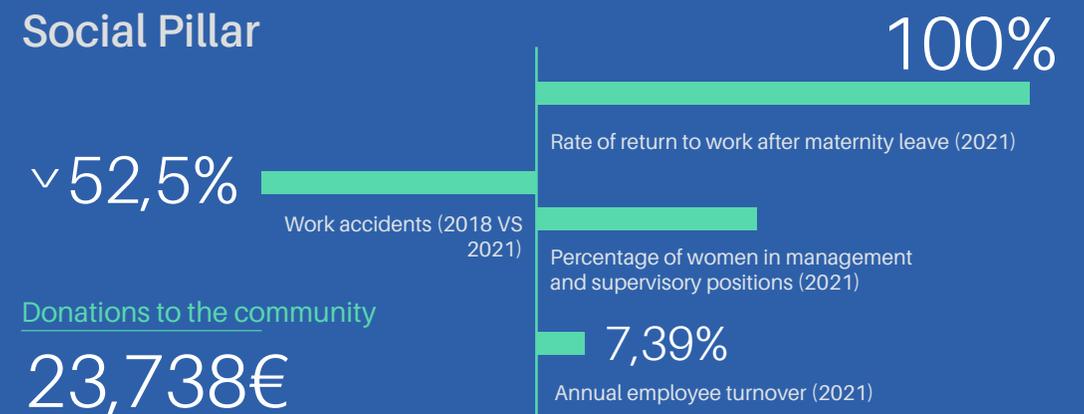
in building a more sustainable future, minimizing the environmental impacts of our activity, supporting the surrounding communities, obtaining the best economic results for our shareholders, and ensuring motivated teams aligned with our goals. We are capable of learning from the past, improving the present, and facing a future full of challenges and ambition. Learn some of the relevant facts that marked the year 2020 and that are included in our Sustainability Report:

Environmental Pillar

*2012 - 2021



Social Pillar

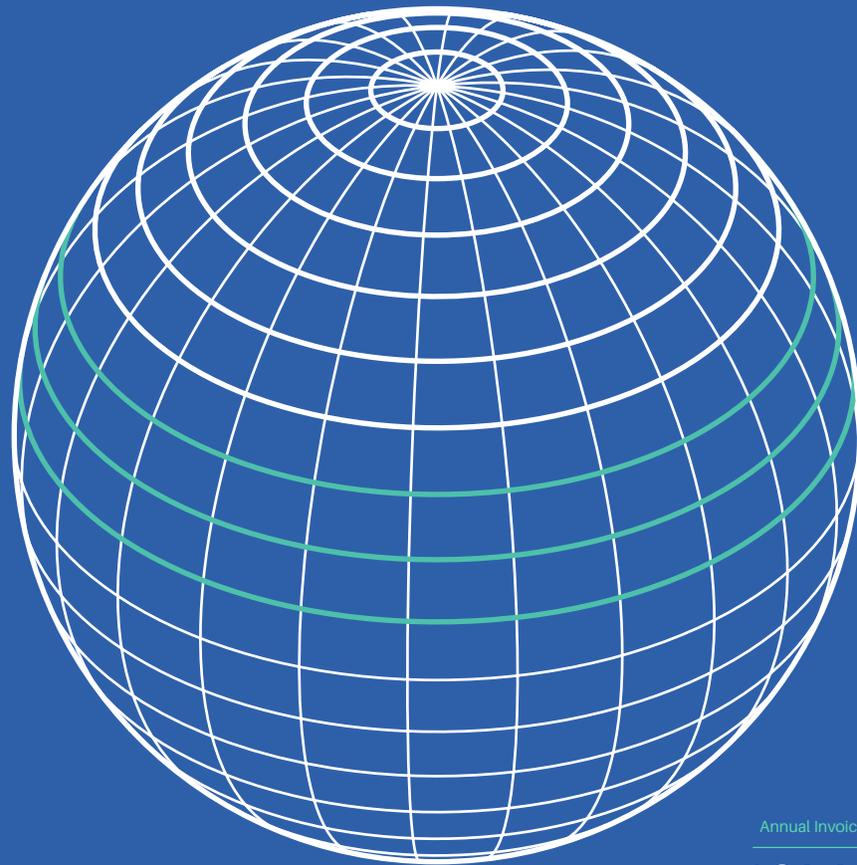


Donations to the community

23,738€

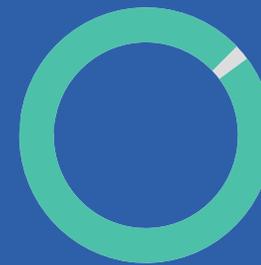
Economic Pillar

120 Million
KM



3 times
around
the world

Annual Invoicing
40M€
Investment
1,1%



Exports
98%

Exports about 98% of all its production to more than 45 countries, spread over the 5 continents.

Based in Portugal, Mundotêxtil is responsible for 20.6% of Portuguese exports and contributes to Portugal being the largest European supplier and the 3rd largest supplier of terry cloth in the world.



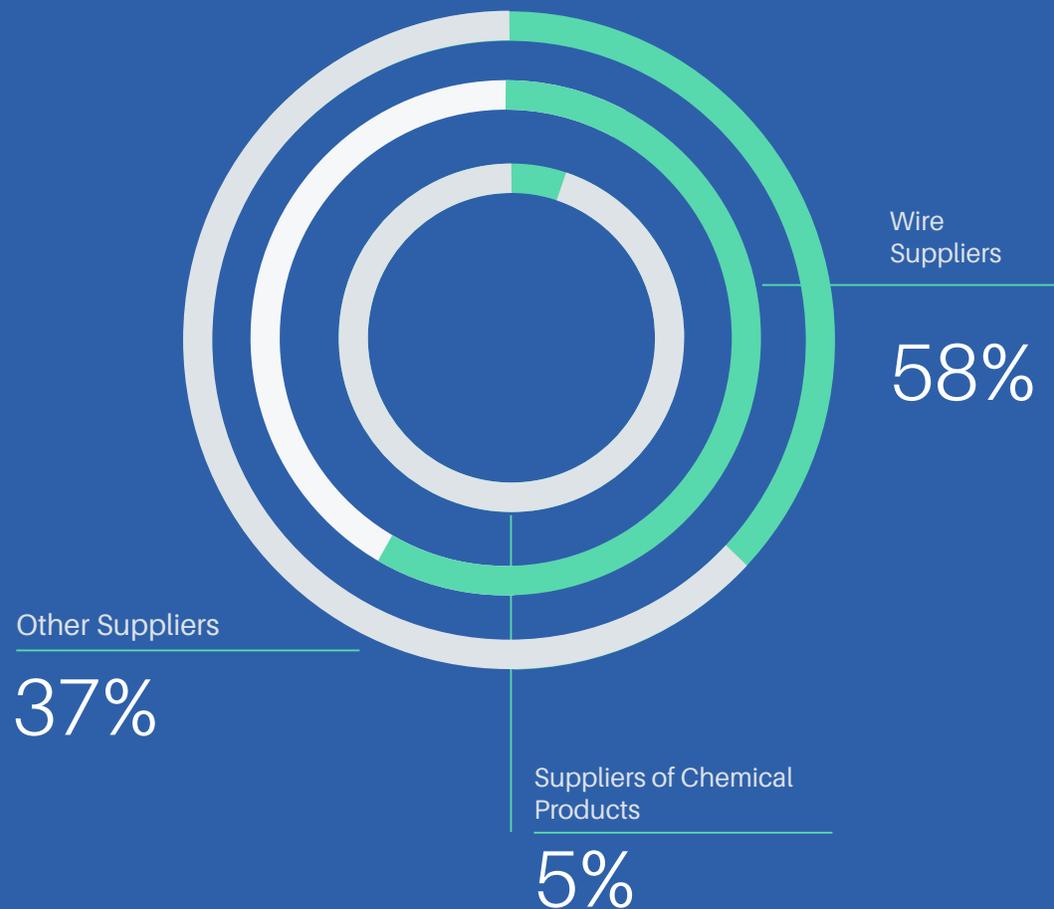
% responsible
for Mundotêxtil
in Portugal's
exports

In 2021 Mundotêxtil's production reached 4.461 tons of terry cloth.

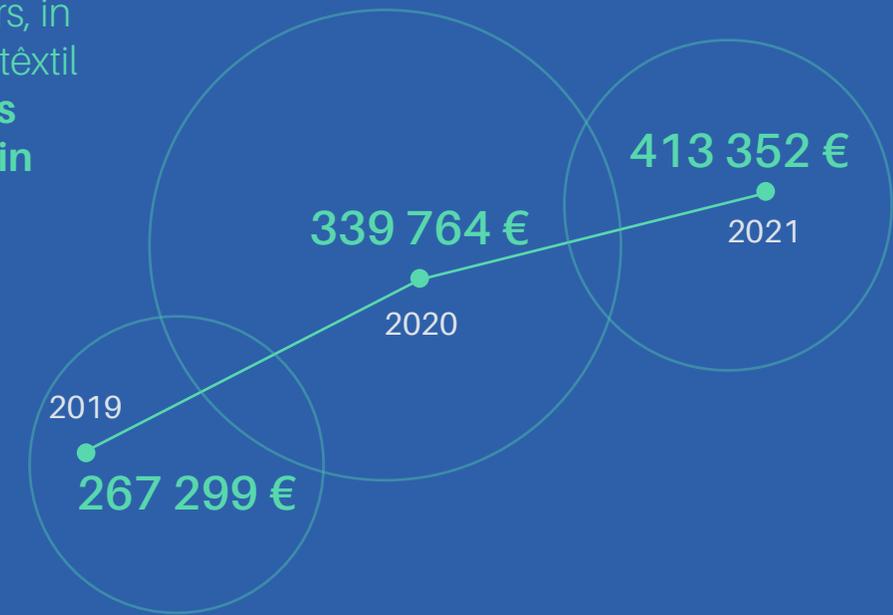


SUPPLY CHAIN

The selection of suppliers is based on a rigorous process, which involves careful and judicious management that has been intensified, along with the application of a set of social and environmental policies. In 2021, 56% of total purchases were made from national suppliers.



Compared to previous years, in 2021 Mundotêxtil **increased its investment in R&D.**



Some projects implemented:

Lean Management - Industrial Eco-efficiency

With the purpose of implementing Lean tools in Mundotêxtil's production process, aiming to eliminate waste and increase efficiency.

Reusable Social Masks:

To face the pandemic, the development of two models of masks for social use and reusable based on innovative terry cloth structures.

TerryPlanet Project:

The development of innovative terrycloth based on circular economy principles.

Structural engineering of terry towels:

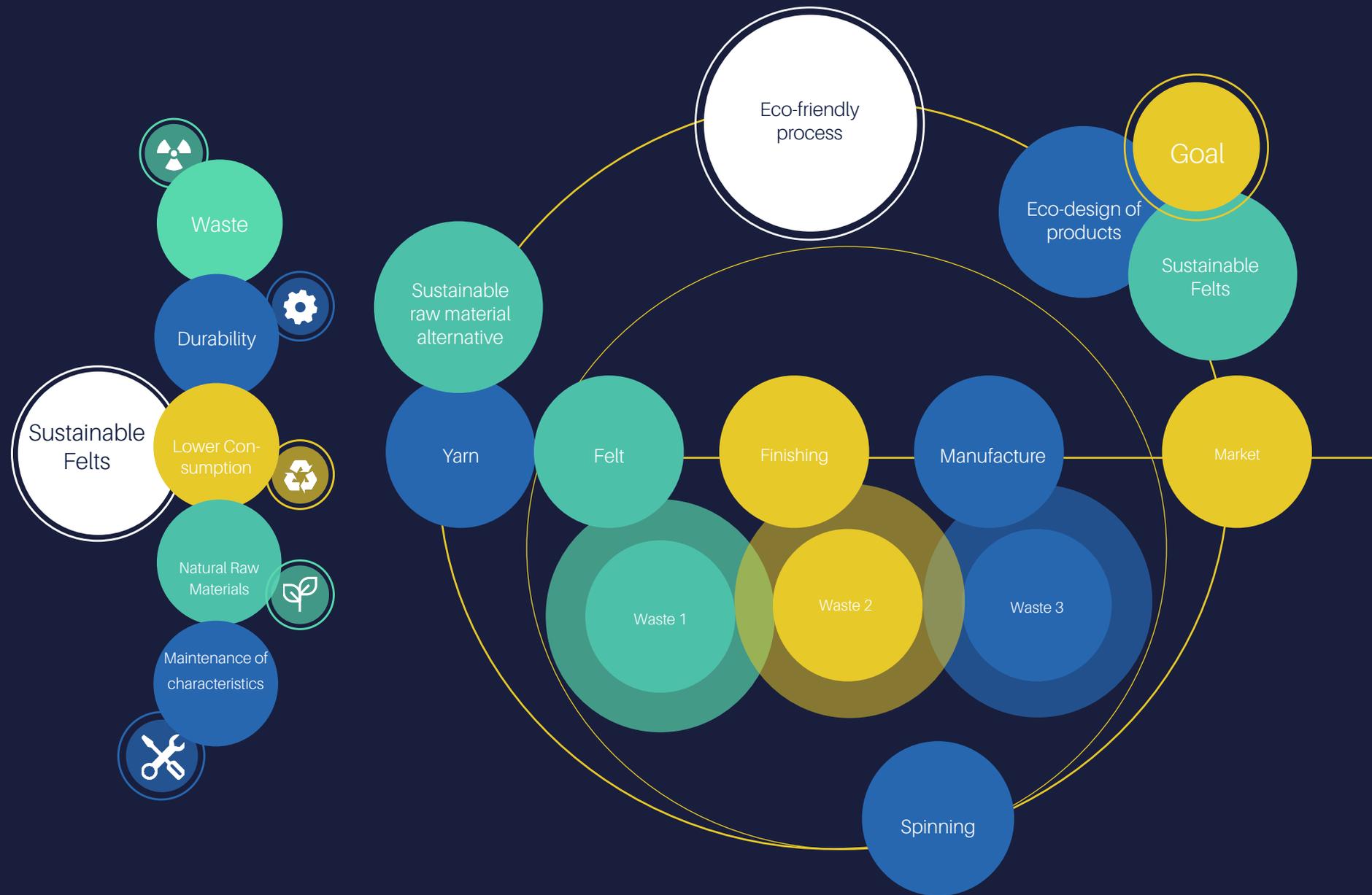
Terry towel (ideally composed of natural fiber or waste), with raw material reduction by 25% and increased durability by 20%.

MundoINNOVA Project:

Aims to promote innovative ideas that reflect a positive impact on Mundotêxtil.

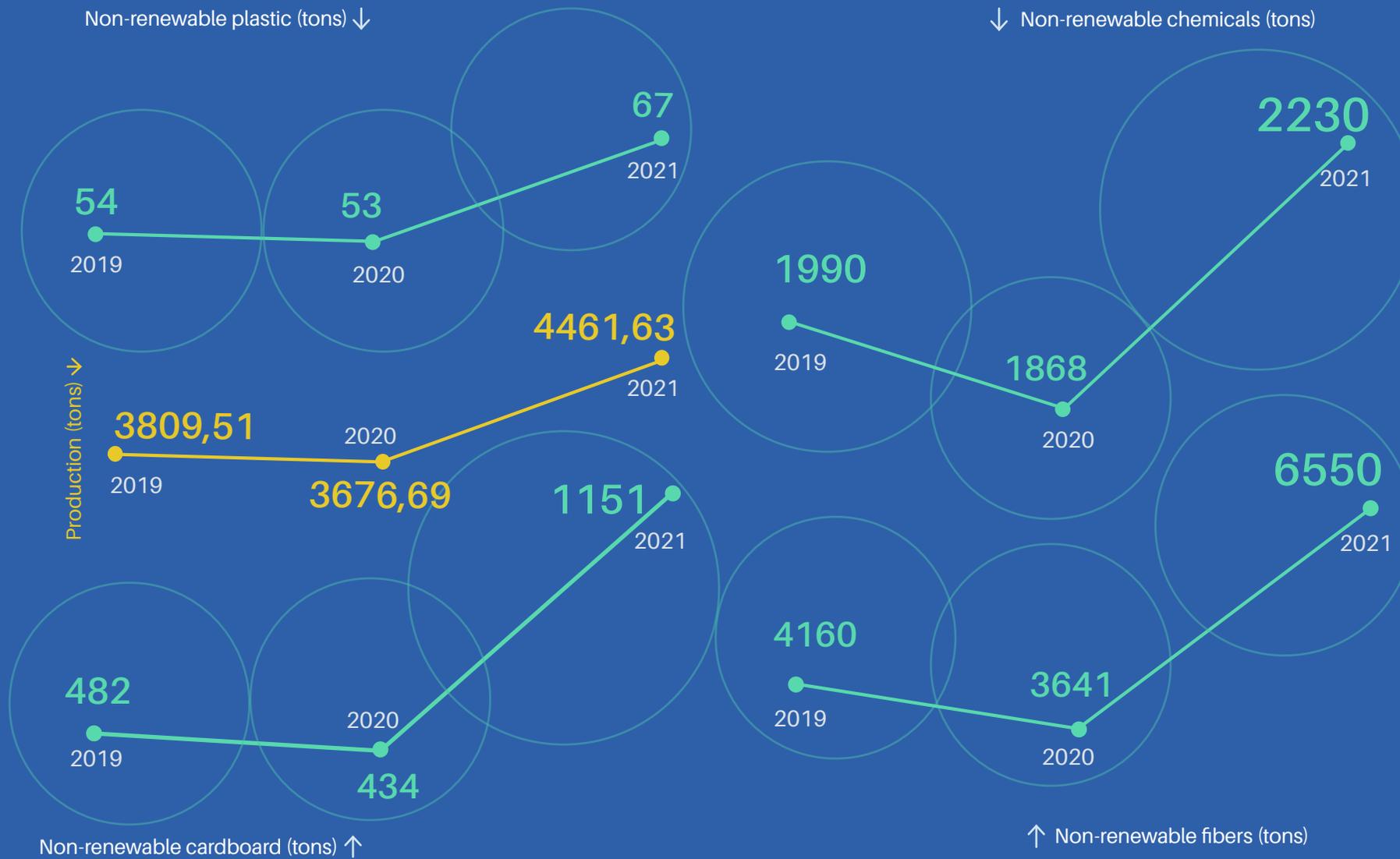
CIRCULAR ECONOMY

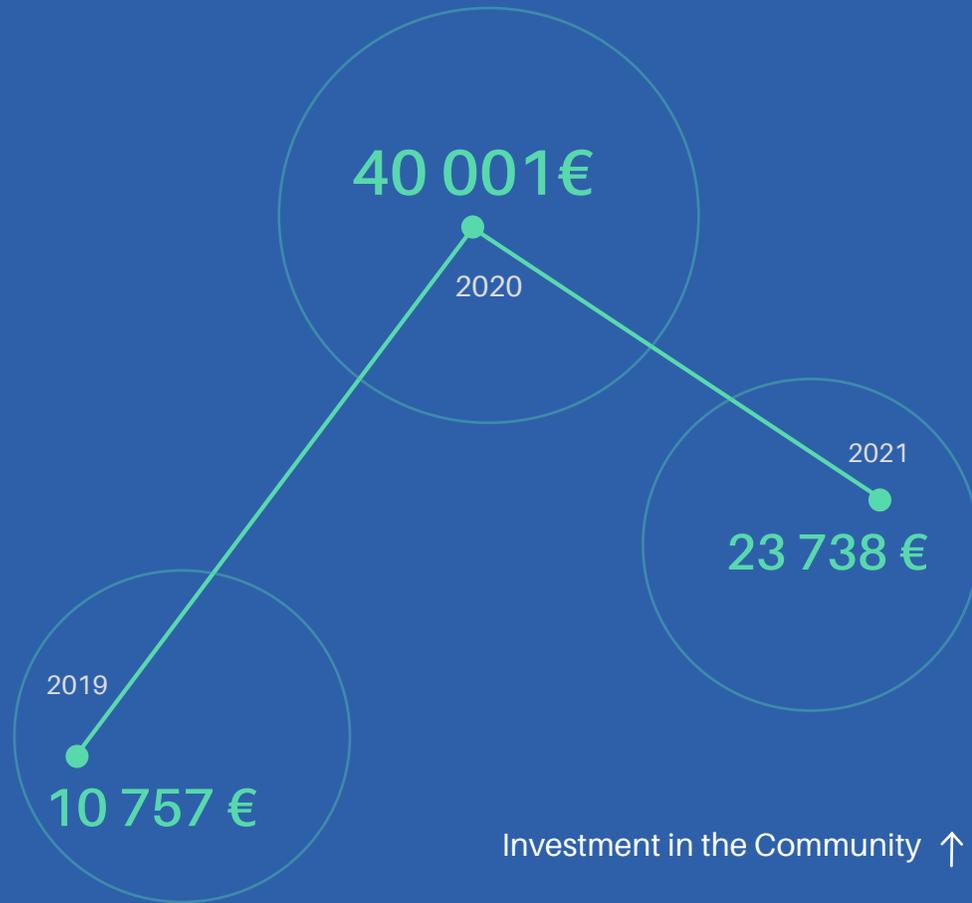
Betting on circular economy and ecological production has been one of Mundo-têxtil's strategic pillars of innovation, using natural fibers that consume less water than cotton, such as hemp and kapok.



RESPONSIBLE RESOURCE MANAGEMENT

At Mundotêxtil, we look at our planet as something “dear” and to be preserved. Therefore, nowadays, we use resources with awareness and with tomorrow’s generations in mind.





COMMUNITY SUPPORT

Mundotêxtil seeks to contribute to the local community through donations, in cash and in-kind, having donated €23,738 in 2021.



EMPLOYEES

Mundotêxtil makes available to all its employees a set of benefits that promote their health, their well-being, and a balance between their professional, family, and personal life.

Some actions:

- // Access to nutrition, psychology, osteopathy, nursing, curative medicine (doctor) consultations;
- // Legal support (lawyer)
- // Life insurance and health insurance;
- // Baby Check;
- // Scholarships: Access to merit and social scholarships for employees' children attending high school/secondary school.

We present the Sustainability Report, in its entirety on our website www.mundotextil.pt.



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