

Sustainability Report



Mundotêxtil

2022

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INTRODUCTION

It is with great satisfaction that we present Mundotêxtil's sustainability report for the year 2022, as we believe that sustainability is a fundamental aspect of the business and we are committed to acting responsibly in relation to the environment, people and the communities where we operate.

With this report, we aim to provide a transparent and detailed overview of our sustainability performance over the past year, as we are committed to promoting actions that contribute to a more sustainable future.

In 2022 we made significant progress in several areas, however, we know that there is still much to be done and that the journey towards sustainability is constant, thus presenting our main objectives and goals for the coming years.

The annual preparation of this report contributes to our position to reaffirm our commitment to sustainability and to share our experiences and lessons learned with our stakeholders, including customers, employees, shareholders, suppliers and local communities.

We take this opportunity to thank all our stakeholders who support us in our sustainability journey and we look forward to continuing this journey together for a more sustainable future.

MESSAGE FROM THE BOARD OF DIRECTORS

We are fully aware of the environmental and social impact inherent in our operations and it is with a great sense of responsibility that we adapt and implement measures to promote sustainable practices across the company.

Sustainability is a fundamental pillar of our business strategy and essential to our continued success. This commitment is reflected in our day-to-day operations, where we are committed to identifying and implementing sustainable solutions in collaboration with our business partners, suppliers and customers, as well as the communities where we operate.

We recognise the importance of making our employees aware of existing environmental and social challenges. We actively encourage our team to integrate sustainable practices into their daily tasks, as we consider them essential assets to the dissemination of a sustainable corporate culture.

Our approach to sustainability has long been an ongoing, long-term commitment. Mundotêxtil firmly believes that only joint efforts can contribute to a more sustainable future. We will continue to seek and create opportunities to improve our practices and the efficiency of our operations towards this common goal.

We believe that together we can make a difference in building a more sustainable world for present and future generations.

ABOUT THIS REPORT

Mundotêxtil presents its second Sustainability Report, which describes the activities carried out during the years 2020, 2021 and 2022, focusing on sustainability issues and how the institution contributes to the creation of environmental and social value and cost-effective for your stakeholders.

The information reported in this edition of the report refers to the period between January 01, 2022 and December 31, 2022. The good practice of regular reporting, disclosed externally since 2021, promotes transparency and enhances the adoption of sustainability principles, both in the value chain and with its main stakeholders.

The document was prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Guidelines (8. GRI Table).

Taking into account the United Nations International 2030 Agenda and in alignment with Mundotêxtil's Commitment to Sustainability and material topics, the most relevant sustainable development goals (SDGs) for Mundotêxtil were identified. The SDGs to which Mundotêxtil contributes are identified in Chapter 5 "Sustainability Governance", namely in section 5.3.2., and throughout the report.

Throughout the report, the material themes defined for Mundotêxtil are highlighted, according to the materiality matrix (5.3. Stakeholder Engagement and Materiality): transparency and communication; economic performance; research, development and innovation; energy efficiency and climate change; emissions management; occupational health and safety; circular economy and environmental impact of the product, where the themes of responsibility and product quality and customer satisfaction are integrated. Given its importance to the company, the topic of training and development is also considered material for the purposes of this report.

This document is available at <https://www.mundotextil.pt/>.

GET TO KNOW MUNDOTÊXTIL

Headquartered in the city of Vizela in northern Portugal, Mundotêxtil was founded in 1975, initially to open the European and African market to a number of textile companies, and is currently internationally recognized as one of the world's leading producers of terry, exporting 98% of all its production.

Equipped with technologically advanced means of production, Mundotêxtil is a world reference in the production of terry towels due to the priority given to design, innovation, quality and the adaptation of its products to new market trends and an increasingly demanding target audience. Mundotêxtil works under a verticalized business model, which begins with the purchase of yarn and ends with the delivery of the final product. All 573 employees work daily, with great professionalism, to get their products to more than 45 countries.

To satisfy the most demanding markets, Mundotêxtil is equipped with the most modern and latest production technologies and constantly researches the development of new processes and techniques.

Mundotêxtil is a company with a clear strategic business orientation and is distinguished by its quality, service, design and innovation, anticipating the trends of the most demanding markets, meeting the expectations of all customers and partners.

With an annual turnover of around € 40M, Mundotêxtil has been investing, since 2013, around 1.0% of this turnover in the modernization of production and R&D, having, in 2022, invested 1.1%. In 2019, the company changed its image and

website to a more modern, elegant and sophisticated design and registered the Mundotêxtil brand.

Taking into account the atypicality of recent years, in 2022, Mundotêxtil presented its institutional video conveying the message that its path is driven by the commitment to enhance the growth of its team, its community and its customers. This year also saw the release of its first sustainability report.

573

Employees

40M€

Annual turnover

PURPOSE, MISSION, VISION AND VALUES

Purpose

#PARTOFOYOU is Mundotêxtil's commitment to enhancing the growth of its customers, its teams and its community. It is with this purpose that Mundotêxtil is involved, body and soul, in the prosperity of all those around it, being "Part of each one of them".

For a long time, it has assumed sustainability as a PART of us, seeking to create value and contribute positively to improving the quality of life of present and future generations, building the future in a sustainable way, minimizing the environmental impacts of its activity, supporting the surrounding communities, obtaining the best economic results and ensuring motivated teams aligned with its objectives.

Mundotêxtil was able to learn from the past, improve the present and face a challenging future full of ambition, always with the same focus, the same strength and the same purpose. Because Mundotêxtil is PARTOFOYOU.

Mission

To meet the demands of the market and its customers, through a business model based on the creation and sharing of sustainable value, qualified and motivated resources capable of creating value through innovation and building a sustainable future.

Vision

To be a reference of excellence in the sectors and markets in which it operates, reinforcing this recognition through innovation, competence and focus on sustainability.

Values

In 2021, Mundotêxtil renewed its values:

- **Integrity:** Our employees are deeply aligned with the company's Code of Ethics. All relationships established are based on trust and the guarantee of strict fulfilment of what is promised.
- **Quality:** We use the best raw materials, equipment, processes and human resources in the development, production and distribution of our products.
- **Sustainability:** We comply with and exceed all legal obligations and are certified by the most demanding standards of social conduct and environmental responsibility. We seek to adopt behaviours and attitudes that contribute to the betterment of society at large and the communities around us.
- **Innovation:** We add value to our offer through a dedicated R&D department and a network of innovation partnerships, which allow us to constantly focus on innovative, sustainable and differentiating solutions.
- **Commitment:** We are committed to planning, managing and executing all projects with rigor and precision, throughout the value chain, meeting and exceeding the expectations of all stakeholders.

MARKET

Mundotêxtil exported 98.4% of all its production to 40 countries, spread across 5 continents, of which France, Italy and the United Kingdom stood out.



Based on the data analysed, France and Italy continue to be the leading countries in terms of market share, with a combined share of 41%. The United Kingdom ranks third with 12%, followed by Spain with 7%.

Europe has been the most impactful region for our market, with the top four countries located on the continent. Sweden, Denmark and Norway together account for 13% of sales, which indicates the importance of the Scandinavian market.

98,4%

Exportation

40 5/6

Countries Continents

Canada and the United States together represent only 8% of Mundotêxtil’s sales, which is quite low considering the size of both. However, this can be justified due to the competition in these countries, which is much higher when compared to Europe.

In terms of growth opportunities, Finland and “other countries” have the smallest market share, indicating a potential for us to expand in these regions. The market in the United States and Canada can also offer significant opportunities, if an effective market entry strategy is implemented.

Headquartered in Portugal, Mundotêxtil is responsible for 20.7% of Portuguese exports and contributes to Portugal being the largest European supplier and the 3rd largest supplier of terry cloth in the world. Regarding the competition, as can be seen in Table 1, Portugal stands out for its sectoral leadership due to its commitment to quality, logistics, research, design, new technologies and partnerships with machine producers.

Table 1: Top terry suppliers in the European Union in 2022.

Country	Value (€)	Average price €/KG
Pakistan	442329762	6,49
Turkey	365541957	9,93
Portugal	168702430	11,16
India	144728826	6,48
China	89511195	9,65
Bangladesh	75750243	7,50
Egypt	25087165	6,09

Source: Eurostat and ANIT-LAR.

Europe is a very important market for our industry, including growth opportunities in specific regions such as Finland, the United States and Canada.

Mundotêxtil has a wide range of clients, ranging from commercial surfaces, to clothing brands and companies in the food distribution sector.

PRODUCTS

Sustainability is a growing concern globally and this includes the development of new products. Consumers are increasingly looking for products that are environmentally friendly and socially responsible, so companies that are committed to sustainability have a significant competitive advantage.

With this concern in mind and always with sustainability in its focus, Mundotêxtil in 2022 developed several products, highlighting the most innovative, sustainable and environmentally friendly.

PRODUCT PORTFOLIO

PURE TOWEL



The high consumption of cotton has negative impacts on the environment, and it is important to find solutions to reduce its consumption.

Put simply, Aloe Vera is a plant native to Africa, being also known as the desert lily and immortality plant due to its medicinal effects. Aloe Vera fiber is 100% biodegradable, recyclable and its physical and chemical properties are similar to those of cotton, with excellent breathability and moisture management.

Aloe Vera fiber is very nutritious for the body, especially for human skin. Innovations in the textile field have incorporated the virtues of Aloe Vera, which prevents aging and rejuvenates skin cells and keeps the skin free of microbial infections.

NATURAL TOWEL



Due to the fact that the high consumption of cotton has negative impacts on the environment, Natural was part of the development of the prototypes to find solutions to reduce its consumption.

Bamboo, tencel and hemp are considered three of the seven eco-friendly fibers to replace cotton or reduce its consumption given their good moisture management properties and good mechanical performance.

Mundotêxtil has thus managed to develop a towel with four fibers (bamboo, tencel, cotton and hemp) that has a unique touch, immediately noticeable when it touches the skin.

REBORN TOWEL



Cotton is the most commonly used fiber in terry towels, but its production has major impacts on the environment. Thus, the recycling of cotton fibers is of great importance, both to avoid waste and to protect the environment from massive and harmful production. The incorporation of waste represents a viable example of circular economy, since it comes from the waste generated by production and has represented in the past a surplus with no added value for Mundotêxtil in terms of production.

Now, by reintroducing them into Mundotêxtil's value chain, we have achieved a strong position in terms of sustainability and environmental awareness.

EVERLASTING TOWEL

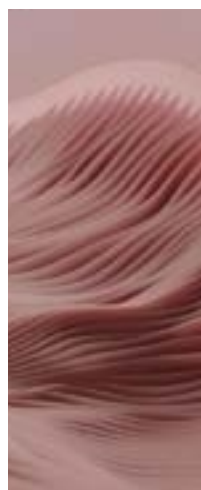


The construction of the traditional terry structure can be altered to increase the durability of the materials used.

Durability is defined as the ability to withstand repeated use over a long period and there are factors that influence the useful life of terry towels, such as the type of fibers, the thickness of the yarn, the architecture of the fabric, the finishes and the conditions of use.

This towel has a greater capacity to withstand repeated use when compared to traditional terry towels, without affecting the principles of touch and absorption.

AIRY TOWEL



The traditional construction of the terry structure can be altered to reduce the materials used. Reducing the use of raw materials is a conscious option, which maximizes the potential of the fibre without requiring excessive quantities.

In this way, it is possible to reduce cultivation levels and the negative environmental impact of the process. By reducing the number of passes, we reduce cotton consumption without affecting the appearance/touch and absorbency of the towel.

CASUAL WEAR – MT 1.0



Given the pandemic context of COVID-19, Mundotêxtil felt the need to develop a leisure clothing collection aimed at the end consumer.

With this collection, Mundotêxtil was able to offer the market a range of relaxed, casual, comfortable, spontaneous clothing products suitable for everyday use.



Truly Organic



VISCOSE
ECOZERO
& HEMP &
NETTLE
TOWEL

This item contains a unique blend of ECOZERO Viscose / Hemp / Nettle yarn.

This product is wild and organic, made with botanical fibers from the Himalayan regions and wood from sustainable forests.

Ethically sourced, the use of these natural fibers has no impact on the environment, as they are a renewable and totally biodegradable resource. The processes used to transform the hemp and nettle fibers into fabric did not require any chemical treatment, which makes it truly organic.

TENCEL™
MODAL WITH
INDIGO
TECHNOLOGY
TOWEL



This product reinforces Mundotêxtil's concept of sustainability, as no dyeing is required and up to 50% of water and energy can be saved compared to conventional dyeing. In addition to these benefits, it has a reduced carbon footprint and less waste is produced.

It has good touch properties (extremely soft fiber), good moisture absorption capacity and high solidity properties (less prone to fading).

This fiber is extremely soft, making it perfect for items close to the skin, such as terry towels.

GOOD
EARTH
COTTON®
TOWEL

Carbon Positive



Good Earth Cotton® is a modern regenerative agriculture program that empowers global producers, communities and members of the textile supply chain as agents of change through an environmentally beneficial approach to global cotton and agriculture.

Good Earth Cotton® paves the way for sustainable cotton farming worldwide, starting in Australia, because by employing smart farming practices it captures more carbon than it emits during the entire fiber production process, thus having a positive impact on the planet.

This product was developed with an ecological and sustainable yarn, obtained from textile waste and with carbon-positive cotton, with FibreTrace technology incorporated (traceability of the production chain).

Traceability is becoming increasingly important in order to maintain strict fiber and production standards, since the end consumer will be sure that they are buying a garment made with 100% carbon positive cotton.

FBLUE B45
TOWEL

From waste to yarn



The FBlue B45 development was born from recycled raw materials, where there is no need to use chemicals and water, and CO2 emissions are minimal.

The yarn used comes from a 100% recycled blend of Recover™ recycled cotton (the world's lowest impact recycled cotton fiber) and rPET bottles with unique colors, which can be used in all types of terry.

EVOLUTION PRO TOWEL

Extremely Thick & Fluffy Feeling



Cotton is still the first choice for towels, but it's much more attractive when you add extra volume, thickness, softness and extreme absorbency. This is how Evolution PRO was born, from a 100% cotton twisted yarn with special characteristics.

Evolution yarn highlights:

- The main characteristic of towels made with this yarn is to achieve the same texture and volume as a zero twist, but with the environmental benefit of eliminating the use of PVA (plastic) in its manufacturing process;
- A secret in the twist that gives the towel a very soft finish, a smooth surface and an extremely fluffy feeling;
- An extra-long fiber that gives the yarn good elongation and strong resistance.

E*DENIM® TOWEL



E*BEST COTTON® TOWEL



To offer more environmentally friendly products, Ecolife® has developed E*BestCotton® and E*Denim®, a blend of recycled cotton and organic cotton, a first in the sector.

A yarn made up of 50% Organic Cotton without dyes + 50% Recycled Cotton, where there are no cultivation and dyeing phases, gives the recycled garment itself the color needed for the resulting fiber.

1 kg of E*BestCotton® and/or E*Denim® contributes to keeping our planet cleaner and free from contamination, and has a measurable environmental impact on the following parameters:

- Water and chemical savings (43% less than conventional cotton);
- Energy savings and CO2 emissions (36.8% less than conventional cotton).

PARTICIPATION IN FAIRS

INTERNATIONAL PRESENCE

HEIMTEXTIL

Heimtextil is undoubtedly the largest home textiles fair in the world. Every year, this fair is the meeting point for designers, shopkeepers, wholesalers, interior architects, hospitality professionals and, of course, the brands, which, like Mundotêxtil, make a point of being there to showcase their innovative, high-quality, design-led and environmentally-conscious products.

In 2022, and in view of the worsening pandemic situation in Germany and throughout Europe in the weeks leading up to the fair, the Heimtextil organizers decided to postpone the event, which had been scheduled for January 10 to 14, and despite having set a new date for it to take place (June 21 to 24, 2022), Mundotêxtil didn't want to disappoint the expectations of its customers and all those who visit our stand and carefully prepared a special kit full of samples, with all the trends and inspirations for the new SERENDIPITY collection.

The result couldn't have been better, because after receiving this kit, our customers wanted to know more about the new collection and dozens of virtual meetings were scheduled to show SERENDIPITY in more detail.

The way the pandemic changed people's lifestyles and helped raise awareness of the importance of feeling good at home was the starting point for the creation of this collection. SERENDIPITY means happy coincidence and the whole collection is inspired by the importance of feeling good in your home and valuing what you have.

KARMIC COLLECTION



In a post-pandemic world, we have seen consumers entering a state of flourishing, seeking new beginnings and new meanings for their lives and attributing a deep Karmic significance to the spaces they inhabit, which over the last two years have become places of refuge.

Our connection to mother nature has become stronger, and this is where we have sought inspiration for what is beautiful and functional, a new “karmic” depth that has helped us understand the primordial functions and purpose of design.

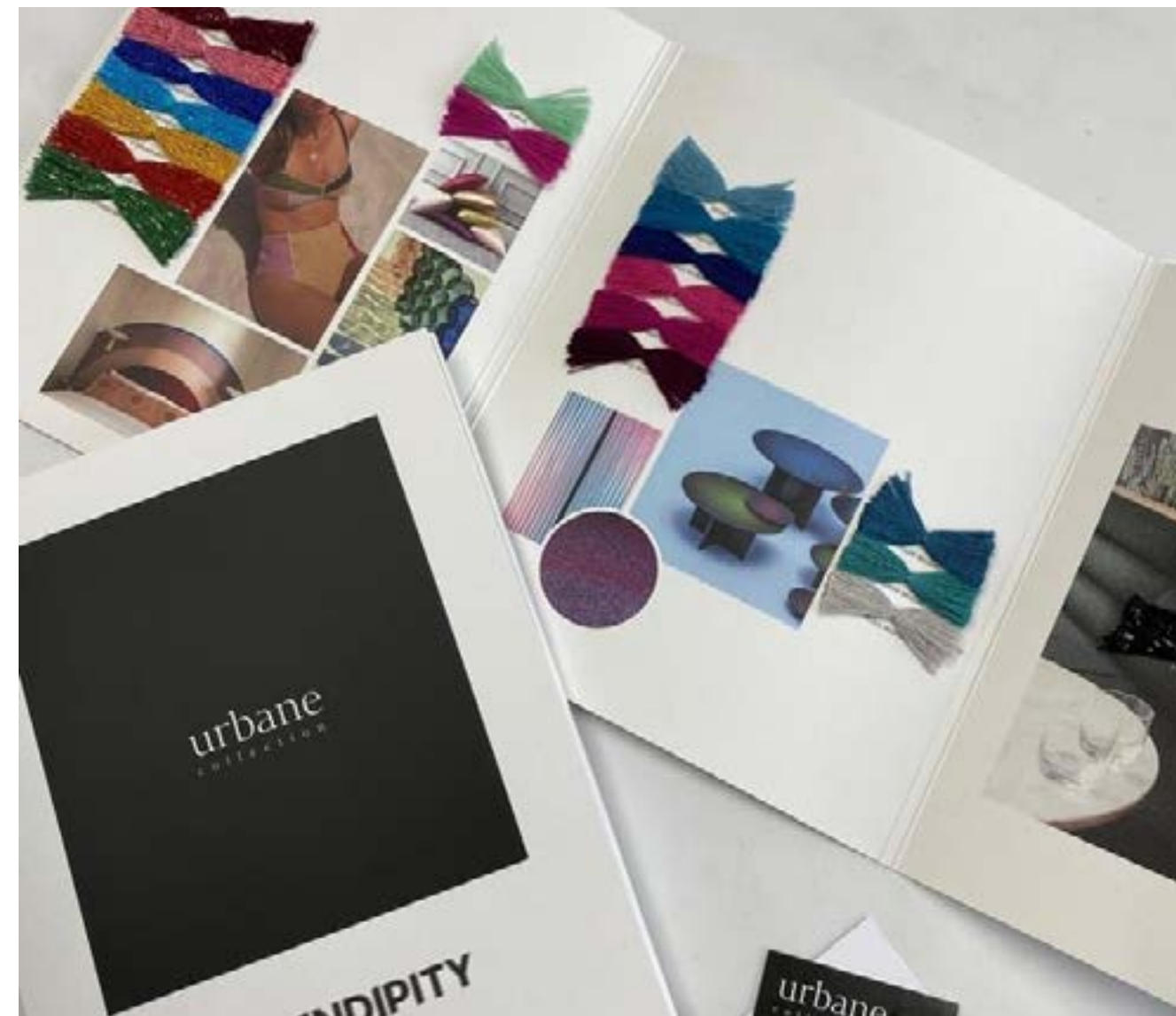
KIN COLLECTION



“Kin” is the beginning of the word “kinship”, the sharing of characteristics or origins. For this fall, the new trend focused on bringing together sophistication and ecological lifestyle, often perfectly sharing the same origin, so that it’s impossible to discern whether it was organically created or found in nature.

Gone are the days of sustainable design appearing clumsy or overly technological, now being skilfully crafted with a minimalist design. Through this trend, Japanese ideals of aesthetics and reciprocity served as pillars that exemplified strength, well-being and a general sense of calm.

URBANE COLLECTION



We have entered a post-pandemic wealth oriented towards well-being and “Urbane” offered a sexy new balance between reflection and spirituality.

With mental and physical well-being being a priority for consumers, the design has eliminated everything that is secondary and tension-enhancing, leaving only a harmonious blend of masculine and essential elements for modern life.



After two years without Heimtextil being held in person, a special summer Heimtextil was held from June 21 to 24, together with Techtextil and Texprocess, called Summer Special. Although the timing for a textile fair seemed completely inappropriate from the outset, given that the collections and production plans had already been finalized, the 22 Portuguese companies that were in Frankfurt felt that the quality of the event had not changed.

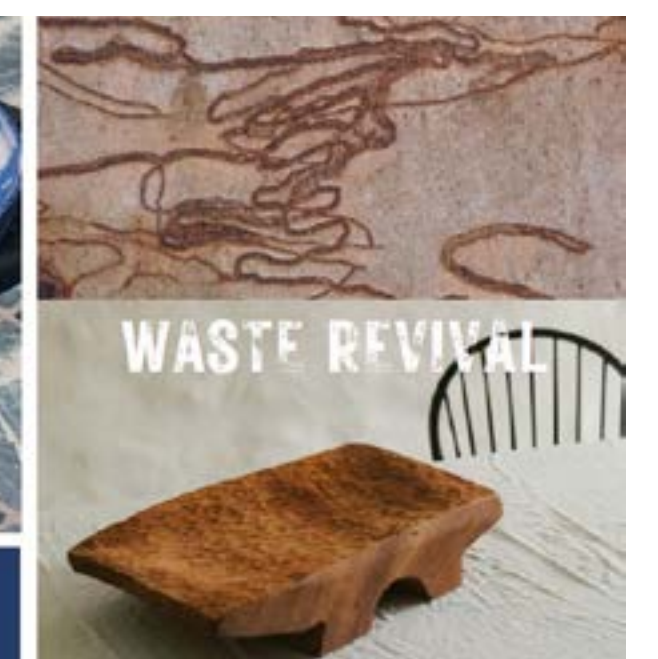
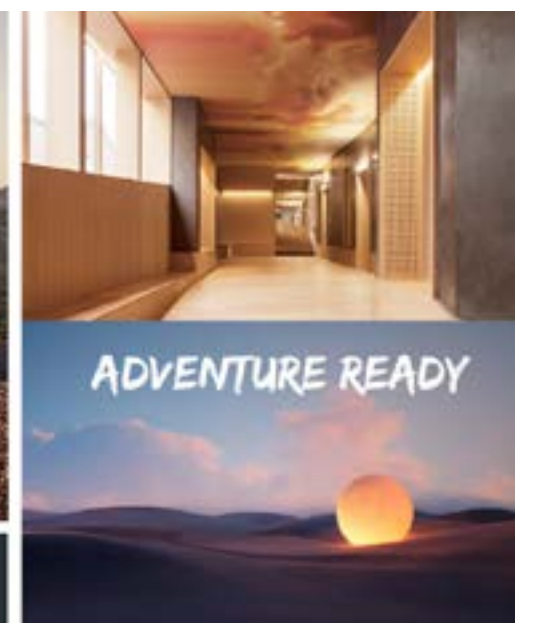
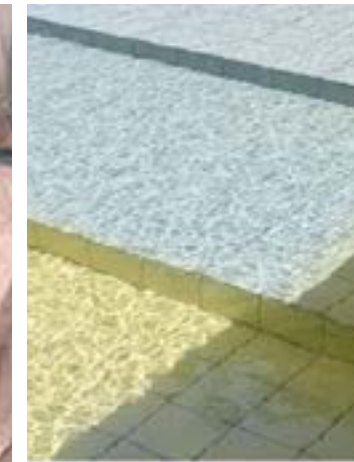


For Mundotêxtil, this return meant a fresh start in terms of normality and contact with customers. It seized this opportunity to strengthen its business and show its capacity for innovation, where Mundotêxtil's biggest bets for Summer Special were recycled products and new fibers with a reduced environmental impact as an alternative to cotton.

One of the novelties that Mundotêxtil took to Frankfurt was a traceability technology incorporated into the raw material that allows us to know the entire path taken by the item until it reaches the shelf.



To stimulate the sense of joy and liberation that we so long for, Mundotêxtil created the REVIVAL collection, with vibrant colors and striking patterns. This collection is made up of 6 themes: New Era; Unexpected; Far Away; Adventure Ready; Earthen; Waste Revival.



NEW YORK MARKET WEEK

After a two-year hiatus, during which we interacted with customers from the USA and Canada online, September marked our return to participating in Home Textiles Market Week in New York, the “city that never sleeps”.

This was an event attended by the main home textiles suppliers and where Mundotêxtil has had a significant presence and recognition for quality and innovation.

Our exhibition was held at the Hotel Andaz, together with most of the other Portuguese suppliers, trusting that by doing so we would contribute to the sector’s position of importance.

Most of the participants came to the city, but just when it seemed that we had overcome a pandemic, we were faced with the challenges of geopolitical turmoil, which inevitably had an impact on consumption in the North American market.

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

We surprised them at this event by demonstrating that despite the pandemic and the various constraints that followed it, we never stopped investing in new collections and new products. These meetings also served to inform our customers of the investments we have made and continue to plan in the production process, aiming for greater energy efficiency, lower water consumption and increased profitability, since the American market is admittedly pragmatic.



NEW YORK
MARKET WEEK
ANDAZ 5TH AVENUE HOTEL

NATIONAL PRESENCES

GUIMARÃES HOME FASHION WEEK

It was at the Pousada da Santa Marinha in Guimarães that the Portuguese home textiles industry gathered for Guimarães Home Fashion Week to once again showcase the quality and innovation that are part of its DNA. Organized by the Home From Portugal Association and with the support of the Municipality of Guimarães, Guimarães Home Fashion Week continues to be an international benchmark in the promotion of the home textiles industry.

Mundotêxtil’s participation in this event aimed to pave the way for new business by welcoming a significant number of potential international buyers.



MODTISSIMO



Modtissimo is synonymous with textile and clothing exhibitions and is the oldest in the Iberian Peninsula dedicated to the professional industry in these sectors.

Innovation and sustainability are the cornerstones of the sector, which is why Associação Seletiva Moda (ASM), in partnership with CITEVE, presented two showcases: iTechStyle Green Circle and iTechStyle Showcase.

In 2022, Mundotêxtil once again took part in this initiative and presented a creation made with 71% cotton and 29% lyocell towels, made with cotton waste from its production process and featuring some of the important benefits of lyocell, such as biodegradability, unfavorable to bacterial growth, great absorbency, strength and vitality and color retention. The aim was to develop innovative and more sustainable fabrics based on the principles of the circular economy, involving the use of fibrous waste, enabling more sustainable production by reducing the waste generated in the process, reducing the number of raw materials used and resource consumption, thus contributing to the SDG 2030 Agenda.



OUR BRANDS

Mundotêxtil owns two brands: Blank Home and Risart.



Blank Home has everything a home needs: the best materials and timeless designs in a classic yet youthful collection of premium towels, bathrobes, bedding and accessories. All products are manufactured according to the highest standards of quality and sustainability.

The brand is registered in Switzerland, China, Norway, the United States of America, Japan and the United Kingdom.



Risart is aimed at the Spanish market, positioned in the high and medium/high segments, and is a contemporary brand with a "Barcelona design". It offers excellent value for money and is constantly featured in the main Spanish home and lifestyle magazines.

The brand is registered in Europe..

SUPPLY CHAIN MANAGEMENT

Mundotêxtil’s business model integrates all stages of production, from the purchase of materials (mainly yarn, chemicals and accessories), through inbound logistics and distribution, to production operations, recycling (where applicable) and the marketing of various terry-cloth-based products.

Mundotêxtil actively promotes ethics and economic, environmental and social responsibility at all levels of the business.

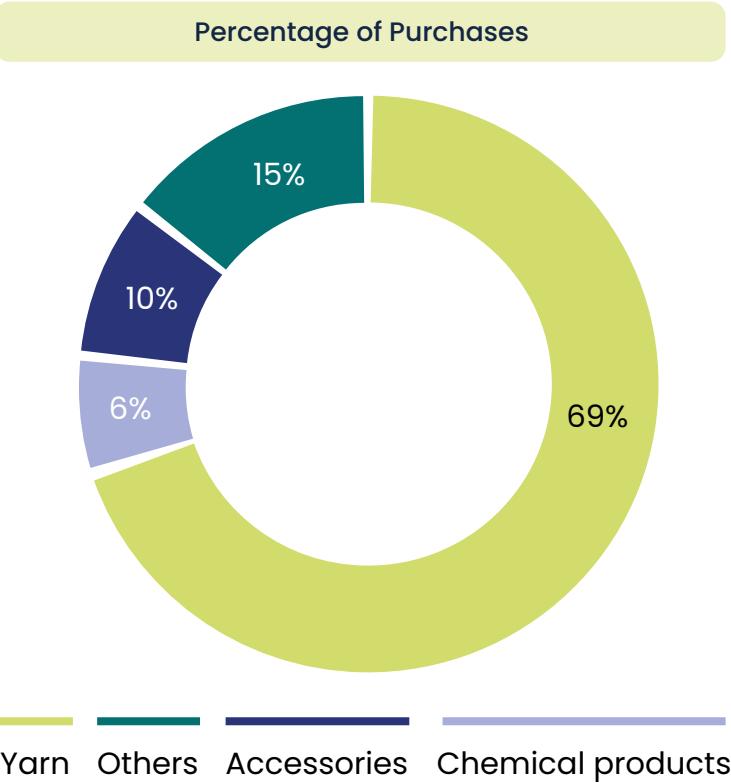
SUPPLY CHAIN

The main raw material used at Mundotêxtil is yarn (cotton fiber), but it also uses other raw materials such as chemicals, accessories, plastics, cardboard and services such as transportation.

Mundotêxtil demonstrates a strategic vision by recognizing the importance of its suppliers as key business partners in the value chain.

Mundotêxtil has adopted a conscious and responsible approach to the selection of its suppliers, which contributes to strengthening its competitive position and brand image in the market.

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. Using this approach is a sign that Mundotêxtil values quality and sustainability at all stages of its value chain, since by selecting suppliers that meet social and environmental criteria, Mundotêxtil mitigates negative impacts and generates benefits for the company and society in general.



An analysis of the graph showing the percentage of purchases shows that the majority of Mundotêxtil's purchases are raw materials (yarns), accounting for 69% of total purchases.

Chemical products, which include dyes, bleaches and other auxiliary chemicals, account for just 6%.

In 2022, 57% of total purchases were made from national suppliers.

The accessories category, which includes threads, labels, pins, crosses, among others, accounts for 10% of purchases. The remaining 15% is classified as "Other", which can include other types of fabrics, purchased equipment and other unspecified categories.

The choice of suppliers should be based on various criteria, such as the quality of the products or services offered, the credibility of the company, the competitive price, availability and supply capacity, among other relevant factors. However, the nationality of suppliers should also be considered as an important criterion, especially when it comes to contributing to the local and national economy. By choosing local or national suppliers, Mundotêxtil is helping to strengthen the region's economy, creating jobs and contributing to the country's economic development.

Mundotêxtil's approach to selecting, evaluating and qualifying suppliers based on environmental, social, innovative and product quality criteria is fundamental to ensuring that it is committed to sustainability and social responsibility.

Choosing suppliers certified to recognized standards such as GOTS, GRS and OEKO-TEX is an excellent initiative to ensure that the raw materials used by Mundotêxtil meet the highest social, environmental and production process standards. These benchmarks represent a series of strict criteria covering sustainable production, fair and safe working conditions, environmental protection and other important areas. By choosing suppliers that comply with these standards, Mundotêxtil is helping to reduce negative environmental impacts, promote ethical working practices and improve the quality of its products.

Chemical suppliers must comply with the strict and demanding safety criteria applicable to products, such as the REACH Regulation in Europe and the lists of banned substances established by their customers and/or the ZDHC Roadmap, in order to guarantee product safety and the protection of human health and the environment, as well as encouraging more sustainable and responsible practices in the supply chain.

Ø ZDHC

The ZDHC Roadmap is a global program that aims to achieve zero discharge of hazardous chemicals in the textile, leather and footwear industry. By subscribing to and using the ZDHC Roadmap for the management of chemicals and effluents, Mundotêxtil contributes to reducing the risks associated with the use of hazardous chemicals and to protecting human health and the environment.

Furthermore, by requiring its suppliers to comply with these criteria, Mundotêxtil is encouraging the industry to adopt more sustainable and responsible practices, leading to a continuous improvement of safety practices in the supply chain and promoting transparency and responsibility throughout the value chain.



The REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) is a European Union law that aims to protect human health and the environment from the risks associated with chemical substances. Suppliers who comply with REACH can guarantee that their chemical products are safe to use and handle.

Mundotêxtil has a Supplier Code of Ethics and Conduct that aims to establish ethical standards and moral conduct for its suppliers, which go beyond legal norms, in order to ensure credibility and preserve the reputation and image of Mundotêxtil and its suppliers. Mundotêxtil's Code of Ethics and Conduct for Suppliers is based on fundamental principles and values, such as anti-corruption, anti-bribery and anti-terrorism, human rights, occupational health and safety and the environment. These principles and values are fundamental to a healthy, transparent and sustainable relationship between Mundotêxtil and its suppliers.

Mundotêxtil's Policy for Responsible Transport is a relevant initiative that aims to guarantee the safety of the products transported and reduce the risks to which they may be exposed throughout their journey, from leaving Mundotêxtil's facilities to their final destination. In general, this policy establishes the behavior to be followed by the carriers contracted by Mundotêxtil.

Some of the behaviors recommended in Mundotêxtil's Policy on Responsible Transport include:

- The use of suitable and safe vehicles for the transportation of products, in compliance with applicable local and international regulations;
- Assigning loads and routes to carriers with a proven track record of safety and quality in transportation;
- Carrying out regular inspections of vehicles to ensure they meet minimum and mandatory safety standards;
- Checking the cargo before transport, ensuring that it is properly packed, labelled and documented, to avoid damage during transport;
- Determining emergency procedures to deal with any problems during transportation, including rapid communication with the emergency services in the event of an accident or incident.

TARGET 2022/2023

The Policy for Responsible Purchasing is currently being drafted, so the target set out in the 2021 Sustainability Report remains unchanged.

RESEARCH, DEVELOPMENT AND INNOVATION

Aware of the importance of innovation and research and development activities, these are a daily practice at Mundotêxtil, which has invested in this area since it was founded in 1975, being able to offer a portfolio of products and services with high added value.

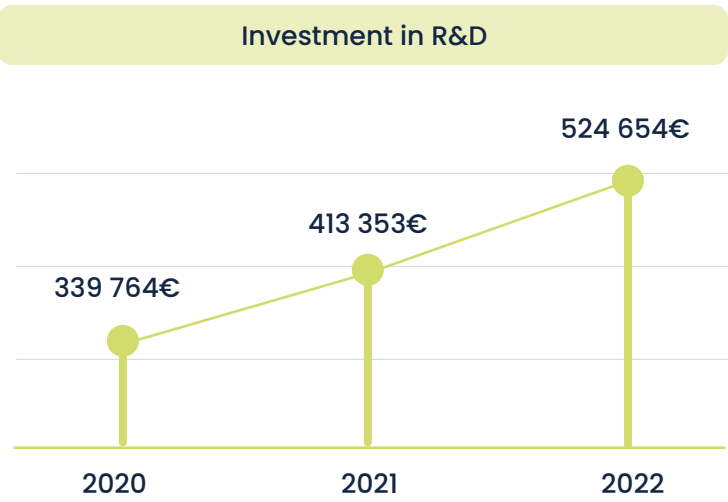
With this department, Mundotêxtil anticipates the trends of the most demanding markets, meeting the expectations of all its customers and partners. Mundotêxtil is a company with a clear strategic business focus and stands out for its quality, service, design and innovation. It produces terry towels of different qualities, using the best raw materials from various sources (cotton, linen, bamboo, wool, silk, cashmere, tencel, modal, aloe vera, hemp, among many others).

For Research and Development activities, Mundotêxtil has two laboratories and technical departments to support the development of clothing, weaving and dyeing, with a multidisciplinary team working to bring innovative inputs to the company, from the product to the process. This team, known internally as the NID (“Núcleo de Investigação e Desenvolvimento” - Research and Development Center), meets frequently so that everyone can work together to devise new strategies, overcome shortcomings/problems, develop improvement and/or innovative ideas/suggestions, debate current and relevant issues, etc.

As shown in the graph below, in 2022 Mundotêxtil invested approximately €524,654 in R&D.

+26,9%

Investment in R&D



The graph shows that Mundotêxtil has significantly increased its investment in R&D in recent years. According to the information available, in 2020, the company invested approximately €339,764 in R&D, which represents a difference of €184,890 compared to the investment made in 2022, indicating a significant increase of 54.4% in R&D investment. Furthermore, when compared to 2021, investment in R&D in 2022 increased by 26.9%, which is equivalent to an increase of €111,302.

“Mundotêxtil has progressively increased its investment in research and development of new products, processes and technologies, which suggests a strengthening of its competitive position in the market, as well as an increase in its efficiency and productivity. Furthermore, this growth indicates that Mundotêxtil is committed to developing/creating solutions to meet its customers’ needs.”

Cátia Pinto

Head of the Innovation and Sustainability Department

MAIN PROJECTS



In this section we place special emphasis on the projects that had the greatest impact on Mundotêxtil’s business in 2022.

TERRYPLANET

In 2022, the development of the TerryPlanet project, promoted by Mundotêxtil, came to an end. It aimed to develop innovative terrycloths based on circular economy principles, using ecological premises such as the incorporation of more sustainable natural fibers and the inclusion of reprocessed fibrous waste, as well as raw materials that allow for increased durability and a reduction in the amount of raw materials used.

At the same time, it was necessary to ensure that these aspects were incorporated without compromising the performance of terry structures, such as absorption capacity and moisture release, touch and appearance, when used in towels, particularly considering the requirements of bath towels.

This project resulted in five prototypes which are presented in section 4.3.1. Product Portfolio.



INDUSTRIAL EXCELLENCE AWARD

In 2022, Mundotêxtil applied for the Industrial Excellence Award competition, which is a benchmark in Quality Management for European competitiveness in the industrial and service sectors, but due to the limitation of applications to Portugal only, it was not possible to choose a winner.

The Industrial Excellence Award is a European award, which has an initial phase in each country and in 2022 focused on innovation and implementation of the digital strategy across the board, i.e. how organizations align activities and knowledge to achieve common strategic objectives.



BIOECONOMIA (BE@T)

The BE@T project, scheduled to last until December 2025, involves a group of 54 partners, led by CITEVE, and is a project funded by the Recovery and Resilience Plan (“RRP”), in the Climate Transition dimension, to strengthen the Sustainable Bioeconomy in the Textile and Clothing Sector.

The promotion of the Sustainable Bioeconomy aims to promote a paradigm shift towards accelerating the production of high value-added products from biological resources (as an alternative to fossil-based materials). Through the transition to the Sustainable Bioeconomy, it is possible to support the modernization and consolidation of the industry through the creation of new value chains and greener industrial processes, which is an opportunity to improve the competitiveness and resilience of Portuguese companies operating in this sector, especially exporters.



PLAYGROUND

In order to follow up on one of the ideas that emerged through the MundoINOVA Program, the “Playground” collection was launched, which aimed to (re)use the dyed yarn that was in our stock.

This project aimed to develop a different product by reusing the dyed yarn that was in stock as a result of excess orders (often, to maximize the capacity of a particular piece of equipment, larger quantities are dyed than necessary, generating a huge amount of yarn in stock).



TRANSITION TO NP 4457:2021

The main objective of this project is to update the Research, Development and Innovation Management System in order to make it compliant with the requirements of NP 4457:2021.



LABORATORY ACCREDITATION

In 2022 we began to survey the resources needed to move forward with the accreditation of our laboratory according to ISO/IEC 17025. This addresses the general requirements for testing and calibration laboratory competence, and is the international standard for testing and calibration laboratories wishing to demonstrate their ability and technical competence to provide reliable and valid results, thus promoting confidence in the work carried out both nationally and internationally. Accreditation to this standard also facilitates cooperation between laboratories and other bodies, creating wider acceptance of results between different countries. Reports and certificates can be accepted from one country to another without carrying out further tests, which in turn improves the delivery time of orders.

The aim of this project is to:

- Ensure compliance with legal and voluntary requirements regarding harmful substances and quality;
- Increase confidence in the quality and safety of our products;
- Gain a competitive edge over the competition with an independent certification mark.



ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION PROCESS ACCORDING TO NP EN ISO 14001:2015

Given that Mundotêxtil complies with all legal requirements, particularly environmental ones, it was decided to proceed with certification of the Environmental Management System according to the NP EN ISO 14001:2015 standard. This is an international standard that aims to help a company commit to protecting the environment, reinforcing a positive institutional image and keeping up with the constant evolution of the market.

The implementation of this standard will help to strengthen the concept of sustainability that is already part of Mundotêxtil's strategy, i.e. implementing initiatives that include both environmental quality and corporate social responsibility, as well as aspects associated with the health and safety of workers.

NATURAL DYE

The aim of this project was to develop a colored terry using natural dyes from minerals, without losing the quality offered by Mundotêxtil and complying with GOTS and CTW requirements.

Dyeing, as is well known, is the most critical part of the process and the most damaging to the environment, but as the dyeing in this development has been done with natural dyes that come from the earth, it has become a 100% natural dyeing process that guarantees the absence of chemical products. Unlike the conventional process, this process does not discharge contaminated water into the environment.

PEARLED
IVORY



The color AE-8005-MN (PEARLED IVORY) was obtained by mixing three minerals: magnetite (black), limonite (yellow) and hematite (red), extracted from recycled materials.

- Hematite: an iron oxide often found in soils and rocks.
- Magnetite: the oldest magnetic material known to humans. It is a strongly magnetic material, orange in color and has a metallic sheen.
- Limonite: an iron ore that consists of a mixture of hydrated iron hydroxide of varying composition and occurs in the most varied forms. It is commonly found as a coating material or in earthy masses; yellowish soils owe their color to limonite.

TEMPEST



The color CE-3003-AZ (TEMPEST) was obtained by mixing and grinding the minerals kaolin, bauxite, silica and glauberite, obtaining bluish and greenish tones depending on the temperature and pressure exposed. To this particular color, the mineral magnetite, also from recycled sources, was added to give it a darker tone.

- Kaolin: an ore made up of hydrated aluminium silicates, such as kaolinite and halloysite, with special characteristics that allow it to be used in the production of paper, ceramics, paints, etc. The mineral is formed by kaolinite, which is generally white or almost white in color due to its low iron oxide content.
- Bauxite: a natural mixture of aluminium oxides that is considered a mineral and most of the world's extraction is used as a raw material for aluminium production.

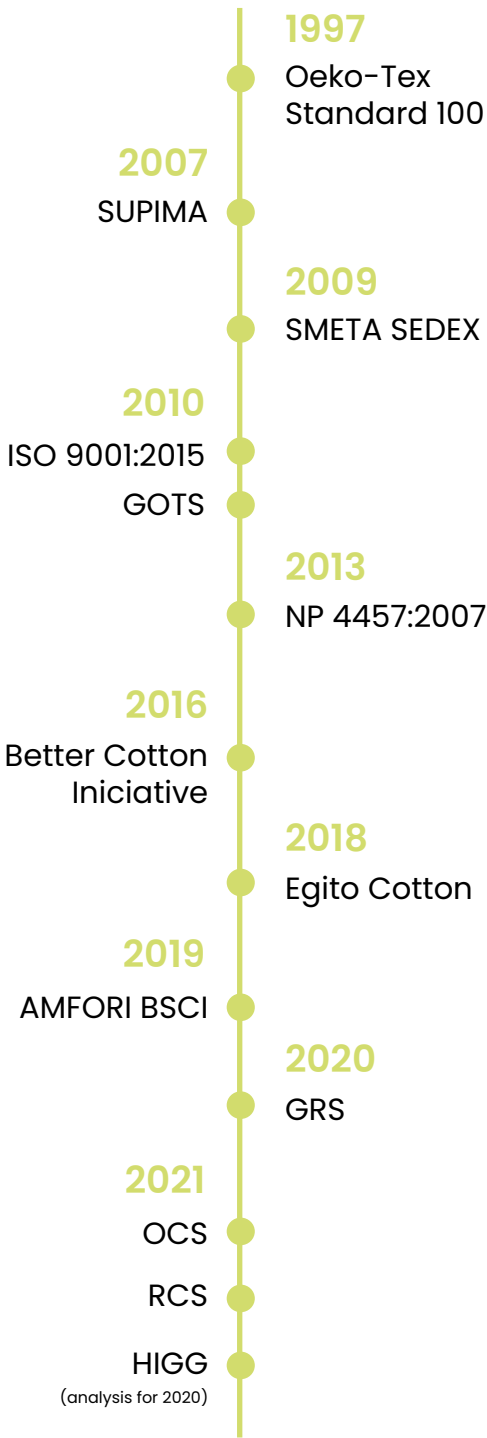
CERTIFICATIONS

Mundotêxtil is constantly looking for ways to guarantee the quality of its products and services, as well as its social and environmental responsibility. One way of demonstrating this commitment is by obtaining nationally and internationally recognized certifications, such as ISO 9001:2015, NP 4457:2007, SMETA, BSCI, GOTS, OCS, GRS, RCS, BCI, OEKO-TEX, Egypt, among others.

All these certifications help Mundotêxtil demonstrate its commitment to quality, ethics and environmental and social responsibility, and can be a competitive differentiator in the market, since they increase the trust of customers and consumers.

Mundotêxtil holds 13 certifications, having obtained them in different periods, as shown in the schedule below.

Certification Standards Schedule



Regarding the environment, we are certified members of Sociedade Ponto Verde in three markets [Portuguese (certificate no. 2022/0001426), French (504425) and German (DE5381739858621)] which are issued following the reporting of quantities of products placed on each market that are likely to generate municipal waste. The HIGG certificate is issued following the reporting of environmental data in the reference year.

Previously outlined goals that failed for some reason:

In 2022, in view of the various adversities to which the entire industry has been subjected, Mundotêxtil decided to suspend investment in progressing towards obtaining STeP by OEKO-TEX® certification.

COMMITMENTS AND ASSOCIATIONS

We believe that participating in commitments and associations can have a significant impact on the success and sustainability of companies. By joining organizations that share common goals and ethical values, Mundotêxtil maximizes its opportunities for growth and success, strengthens its position in the market, and builds a positive and credible image for its business.

In this way, Mundotêxtil has commitments and associations with various organizations, including:

25%^{VN}

Organic

14%^{VN}

Recycled

6%^{VN}

BCI

GOALS:

Obtain certification of the environmental management system according to NP EN ISO 14001:2015;

Resume the certification process according to the STeP by OEKO-TEX® requirements.



CLUSTER TÊXTIL

Mundotêxtil is a member of the “CLUSTER TÊXTIL: Tecnologia e Moda” (TEXTILE CLUSTER: Technology and Fashion) promoted by CITEVE. Founded in February 2017, this is seen as a sectoral support structure whose main objective is to stimulate processes of interaction, articulation, collaboration and information sharing within the economic aggregate itself, acting in a supplementary way to the actions of its own members, as an instrument for achieving increases in competitiveness through innovation and internationalization, based on a logic of collective efficiency.

The “ CLUSTER TÊXTIL: Tecnologia e Moda” currently has 5 Special Interest Groups (SIG) in place, with fundamental roles of reflection and strategic formulation around the structuring pillars of the Cluster’s intervention. These groups are a participatory instrument for intelligence, the formulation of collective commitments and the monitoring of actions:

- Sustainable Bio Circular;
- Performance;
- Digitalization;
- Skills;
- Design and Product Development.

Made up of 60 members, the CLUSTER TÊXTIL is a platform where these entities establish win-win relationships, with the ultimate aim of producing and sharing knowledge to support innovation and competitiveness.

COTEC PORTUGAL



Mundotêxtil is a member of COTEC Portugal, the leading Portuguese business association for promoting innovation and business technology cooperation.

Set up in 2003, COTEC Portugal is a non-profit association that relies on the support of its Members and the institutions of the National Innovation System ("Sistema Nacional de Inovação" - SNI) in order to achieve its objectives. From the outset, it received the support of the Portuguese President in office, who has now taken on the status of Honorary President.

COTEC Portugal's main activities include anticipating and reflecting on key innovation issues with an impact on business competitiveness, activating collaborative platforms and networks and contributing to improving public policies on innovation.

ANIT-LAR



ANIT-LAR is the National Association of Home Textile Manufacturers. This is a Portuguese organization that represents and defends the interests of producers of home textiles, such as bed linen, towels, curtains, among others. ANIT-LAR was founded in 1978 and is a non-profit business association whose main objective is to promote the development and competitiveness of the home textiles sector in Portugal. To this end, the organization works closely with other entities in the sector, including companies, business associations, public and private bodies, among others.

Some of the activities carried out by ANIT-LAR include promoting the quality and innovation of home textile products, defending the interests of producers before national and international authorities and institutions, promoting fairs and events in the sector, carrying out studies and research into the home textile market, among others.

FIBRENAMICS



With a disruptive idea and a lot of determination, a platform for the transfer of knowledge created at the University of Minho was born in 2011, the Fibrenamics Association - Institute for Innovation in Fibrous and Composite Materials.

A disruptive start that has been preserved to this day and is currently recognized by the European Commission as an example of the transfer of scientific and technological knowledge in the field of advanced materials and nanotechnology to the various innovation stakeholders.

Our partnership with Fibrenamics has been strong since its inception and has allowed us to increase our R&D skills and acquire know-how in new areas, enabling us to develop new products. In 2022 it was made official that Mundotêxtil is a Founding Associate of Fibrenamics.

"Fibrenamics - Institute for Innovation in Fibrous and Composite Materials is now a non-profit association with the active participation of companies, the Municipality of Guimarães and the University of Minho in its management bodies. This new configuration of Fibrenamics will allow it to deepen the model of generation, enhancement and transfer of knowledge to the economic fabric through innovative products and technologies, consolidating it as the partner of reference for companies in various sectors with regard to fibers and composites."

Professor Raúl Figueiro

Head/Coordinator of the Fibrenamics Association

ASSOCIATION OF FAMILY BUSINESSES



The Association of Family Businesses (“Associação das Empresas Familiares” – AEF) is a business organization that represents and defends the interests of family businesses in Portugal. Founded in 2008, the AEF’s main objective is to promote and enhance family businesses, contributing to their long-term sustainability and competitiveness. Family businesses are an important element of the Portuguese economy, accounting for around 90% of the country’s companies and employing more than two million people. These companies have unique characteristics, such as the transmission of values and culture from generation to generation, the continuity of the business within the family and the stability they provide in terms of employment and local development.

Some of the activities carried out by AEF include organizing events and networking meetings between family businesses, carrying out studies and research into the sector, promoting training and capacity-building programs for family business managers, promoting corporate governance and succession in business management, among others.

ASSOCIAÇÃO EMPRESARIAL DO MINHO



Associação Empresarial do Minho (AEM) is a non-profit business organization that represents and defends the interests of companies in the Minho region of Portugal. Founded in 1910, AEM’s main objective is to promote the economic and social development of the region, contributing to the competitiveness of companies and the creation of jobs and wealth in the region.

The Minho region is one of the most dynamic in Portugal and is known for its strong industrial tradition and diversified business fabric. AEM works to represent the interests of the region’s companies before national and international authorities, promoting their visibility and recognition as key players in the local economy.

AEM has been an important voice in defending and promoting Minho’s companies, working to enhance their role in the economy and to promote their long-term sustainability and competitiveness. The organization has also been a reference in promoting cooperation between companies and boosting the region’s business fabric.

AWARDS AND RECOGNITION



Portugal Empresarial, a congress organized by AEP – Associação Empresarial de Portugal (Portugal’s business association), encouraged debates on the challenges facing industry and sustainability, with Portugal’s competitiveness as a priority.

At an event attended by more than 250 participants, where panelists from companies, universities, public and private decision-makers debated their views on trends and the future, Mundotêxtil was honored with the AEP’s awards for outstanding companies. Mundotêxtil was awarded the Export and Internationalization Prize, received by José Pinheiro.

SUSTAINABILITY GOVERNANCE

The textile industry is one of the most polluting industries in the world and is known for its significant negative impact on social working conditions and the environment. Mundotêxtil, as a key player in the home textiles market (terry towels), feels a responsibility to play a role in promoting positive change, with sustainability being one of the most important aspects of its strategy for the coming years.

To ensure that sustainability remains at the top of our priorities, Mundotêxtil created a Sustainability Committee in 2021, a specialized working group focused on strengthening the company's sustainability strategy and supporting the Board of Directors in defining and monitoring its sustainability strategy.

Sustainability Committee	
Manager	Department
Ana Pinheiro	Board of Directors
Ana Paula Pinheiro	Communication & Marketing
Cátia Pinto	Innovation & Sustainability
João Oliveira	Environment
Mariana Oliveira	Human Resources
Rita Campelos	Product development

The Sustainability Committee is a working group led by the Board of Directors and includes 5 members from the main key areas of the company. This group meets frequently to assess the performance and progress of the actions taken and to plan new initiatives.

It is a pleasure to be part of this committee, dedicated to promoting sustainability at Mundotêxtil. As members of this committee, we have the responsibility to lead the implementation of actions and strategies that contribute to the continuous improvement of our processes and practices in relation to sustainability. Mundotêxtil recognizes the importance of operating responsibly and sustainably, not only because it is the right thing to do, but also because it is essential to ensure our long-term viability. We have ambitious sustainability goals and we need everyone's commitment and support to achieve them. Our work is collaborative and includes defining initiatives to reduce greenhouse gas emissions, promoting responsible management of natural resources, strengthening occupational safety, fostering diversity and inclusion and improving transparency and communication in relation to sustainability. We are always open to suggestions and ideas so that we can strengthen our actions in favor of sustainability and we count on everyone's collaboration to promote a more sustainable corporate culture.

Members of the Sustainability Committee

All relevant actions carried out by the Committee are reported in the Sustainability Report which is drawn up by the Innovation and Sustainability Manager, in accordance with the GRI standards. GRI standards and reported to the Board of Directors. This report provides a transparent overview of the company's achievements and challenges in relation to the main sustainability indicators.

At Mundotêxtil, despite the good results achieved so far, we know that there is still a lot to do. That's why a large part of the planned investments are focused on sustainability: replacing the roof, installing a photovoltaic UPAC, a biomass boiler, an energy consumption management system, a heat exchanger for the finishing chimneys and a battery module for managing energy consumption.

In addition to proposing new sustainability objectives and targets to the Board of Directors and monitoring the performance of the defined objectives, the Sustainability Committee is also responsible for reviewing and monitoring the investments needed to achieve them, always with a view to creating long-term value.

The highest governance body is involved in Mundotêxtil's entire sustainability process.

ETHICS AND
INTEGRITY

In fulfilling its objectives, Mundotêxtil recognizes the importance of constantly investing in the development of an ethical and socially responsible culture, taking them on as a basic principle of its conduct, as a way of creating truly sustainable value.

Mundotêxtil promotes a culture of loyalty and transparency, based on compliance with its Code of Ethics and Conduct, which has been in force for several years and was last revised in April 2022, defining the principles and rules that establish relations with the various internal and external entities, employees, customers, suppliers and other stakeholders.

The actions of management, employees and all those who carry out activities on behalf of Mundotêxtil must be guided by the ethical principles of legality, impersonality, morality and efficiency.

Our Code of Ethics and Conduct sets out the process by which it is possible to report irregularities in accordance with this Code.



All reports of irregularities should be addressed to the Human Resources Department, which will follow up with the Board of Directors.



Reported issues are dealt transparently by the person in charge and non-retaliation of those who use this mechanism is guaranteed..



Reports can be made in two ways:

- Email: sugestoes@mundotextil.pt
- Post, by letter in a sealed envelope marked confidential to the following address: Mundotêxtil - Indústrias Têxteis, S.A. A/C Head of Human Resources Department Rua da Saudade, Nº 280-400 4815-901 Caldas de Vizela

No irregularities
were reported in
2022.

ANTI-CORRUPTION
POLICY

In 2021, Mundotêxtil defined its Anti-Corruption Policy to reinforce its commitment to maintaining standards of integrity and ethics in the conduct of its business by establishing anti-corruption guidelines.

This policy is interlinked with Mundotêxtil's Code of Ethics and Conduct, so both regulations must be followed by the entire company, including employees, partners and suppliers, so that everyone complies with the guidelines in order to prevent and combat situations prone to acts of corruption, bribery and fraud. It is available on the company's website in two versions: Portuguese and English.

The training given to new employees includes information on the anti-corruption policy and the procedures to be adopted.

GOALS 2023:

Formally structure the Sustainability Policy so as to present a set of economic, environmental and social commitments.

In 2022 there
were no
communications
or reports relating
to suspected
corruption.

RISK
MANAGEMENT

Mundotêxtil has a risk assessment procedure which aims to establish the methodology used to identify, analyze and assess risks. For all the risks and weaknesses identified, their effects are assessed so that it is possible to determine their level of significance in relation to Mundotêxtil’s activity.

Risks are calculated taking into account the probability of the risk occurring and the possible impacts and consequences that could potentially affect Mundotêxtil. In order to control the impact associated with risks and weaknesses, Mundotêxtil manages control measures.

After assessing the significance of the risk, risks and weaknesses that result in a level equal to or greater than nine are considered significant. Whenever, after the assessment, one of the risks and weaknesses is found to be significant, measures are established through operational control or the definition of an objective or target.

Every year, the different analyses of business risks and opportunities are reviewed and the actions to mitigate and manage the risks and opportunities are assessed. Risks are prioritized according to a relevance matrix, the result of assessing the magnitude of the impact and the probability of occurrence.

RISKS

- 1. Threats that affect confidence in making major investments;
- 2. Uncertainty of product acceptance by the markets;
- 3. Saturation of European markets and growing environmental and social demands;
- 4. Asian competitors with a wide range of very low-priced products;
- 5. Pandemic (SARS CoV-2);
- 6. Economic and social instability worldwide (conflict between Russia and Ukraine);
- 7. Variations in the price of raw materials;
- 8. Rising energy and natural gas costs;
- 9. Unstable supply chain;
- 10. Cyber attacks;
- 11. Terrorist attacks;
- 12. Corruption;
- 13. Loss of computer data.

STAKEHOLDER
ENGAGEMENT AND
MATERIALITY

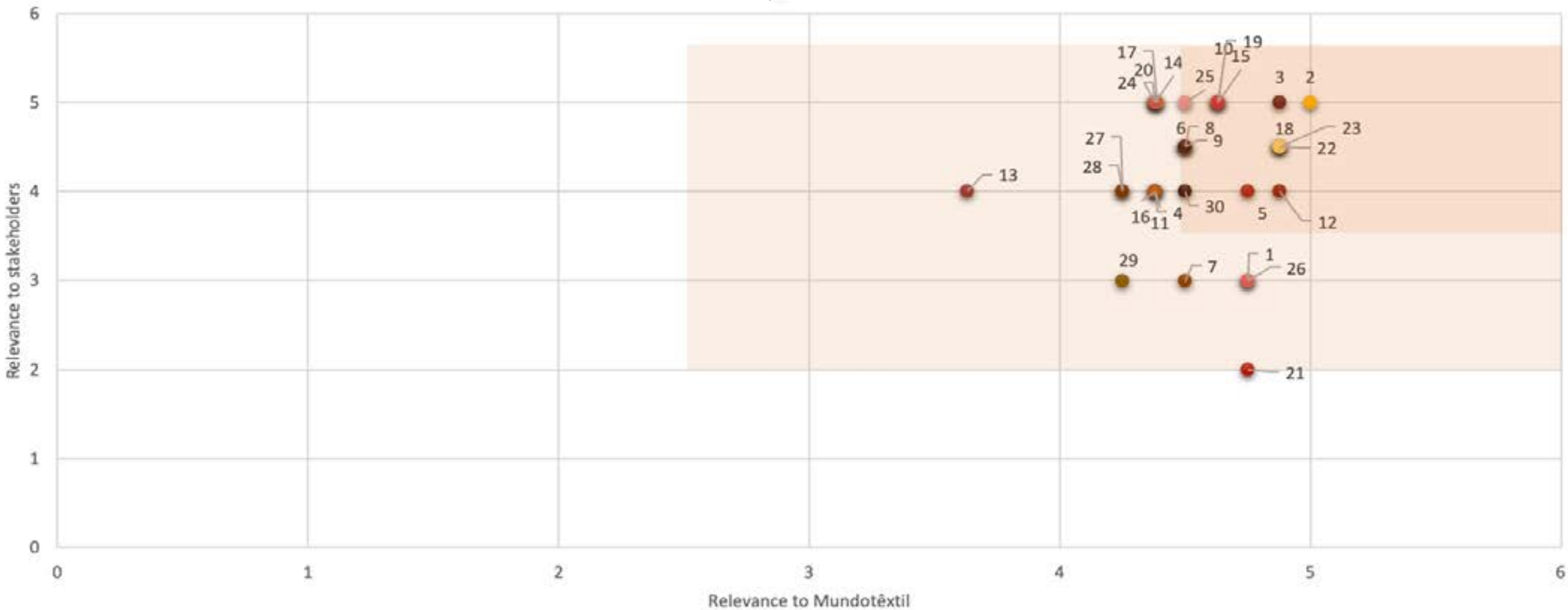
Our guiding purpose is #PARTEDETI, in other words, to boost the growth of our customers, our teams and our community. It is with this purpose in mind that Mundotêxtil involves itself, body and soul, in the prosperity of all those around it, making “Part of each one of them”. It is very important for us to be involved with all our stakeholders, respecting and trying, whenever possible, to meet their needs and expectations.

In 2021, Mundotêxtil redefined its material topics, in accordance with the materiality principles of the Global Reporting Initiative (GRI), by identifying the topics that are critical to the various stakeholders and that guide management and decision-making.

The material themes, represented in the materiality matrix, are the result of a cross-check of the relevance attributed by the main stakeholders and the relevance attributed by Mundotêxtil, ascertained through a questionnaire applied internally to a group of employees and members of senior management.

OPPORTUNITIES

- 1. Focus on developing innovative and sustainable products through the use of new structures, new yarns, new functionalities, new processes, new partnerships/ interfaces, new markets;
- 2. Publication of the first sustainability report according to the GRI Standards;
- 3. Investment in more technologically advanced equipment;
- 4. Promotion of energy efficiency;
- 5. Presentation of new products at trade fairs such as Heimtextil and New York Market Week;
- 6. Continuous improvement of the production process;
- 7. Hiring qualified human resources;
- 8. Political and economic fluctuations in the biggest competitor: Turkey;
- 9. Promoting the circular economy;
- 10. Clear orientation towards the objectives and targets to be achieved.



- 1. Operational Eco-efficiency

● 4. Waste Management

● 7. Environmental Compliance

● 10. Occupational Health and Safety

● 13. Freedom of Association

● 16. Indirect Economic Impacts

● 19. Anti-Corruption

● 22. Innovation and Development

● 25. Materials

● 28. Customer Health and Safety
- 2. Water and Effluents

● 5. Biodiversity

● 8. Training and Education

● 11. Local Communities

● 14. Diversity and Inclusion

● 17. Supply Chain Management

● 20. Anticompetitive Behaviors

● 23. Circular Economy

● 26. Safety Practices

● 29. Taxes
- 3. Energy Consumption

● 6. Greenhouse Gas Emissions

● 9. Human Rights

● 12. Employment

● 15. Non-Discrimination

● 18. Economic Performance

● 21. Market Presence

● 24. Marketing and Labeling

● 27. Customer Privacy

● 30. Socioeconomic Legal Compliance

TARGET FOR 2023/2024:

Given the implementation of the new GRI standards (GRI 1, GRI 2 and GRI 3) in this sustainability report and taking into account the path Mundotêxtil is taking towards alignment with the Corporate Sustainability Reporting Directive (CSRD), it is considered essential to review the materiality (redefined in 2021) in order to ensure better alignment with these trends.

RELATIONSHIP WITH STAKEHOLDERS

The relationship and involvement with our different stakeholders is a determining factor in the success of our activities and in identifying risks and opportunities for the business.

At Mundotêxtil we seek to systematically identify, monitor and review information about our stakeholders, their needs and expectations, as determining factors for the success of our activities and for identifying risks and opportunities.

The communication channels that cut across all stakeholder groups are e-mails, the company website, social networks and the irregularities communication channels (whenever applicable), always making sure that these, as well as their frequency, are appropriate to our needs and those of our stakeholders.

As a result of the materiality analysis carried out in 2021, we identified a total of 30 material topics, 12 of which stand out for Mundotêxtil: water and effluents; energy consumption; greenhouse gas (GHG) emissions; training and education; human rights; occupational health and safety; non-discrimination; economic performance; anti-corruption; innovation and development; circular economy; materials.

Mundotêxtil identified a total of 13 stakeholder groups, namely:

- CORE
- Employees;
 - Clients;
 - Suppliers;
 - Shareholders;
 - Financial sector;
 - Public and regulatory bodies;
- Partners;
 - Supervision, accreditation and certification bodies;
 - Society and future generations;
 - Trade unions;
 - Associations.

LINK TO THE SUSTAINABLE DEVELOPMENT GOALS

The results obtained in the materiality matrix allowed us to identify 12 material themes for Mundotêxtil's business, which are aligned with the Sustainable Development Goals (SDGs) defined by the United Nations, thus contributing to the achievement of the 2030 Agenda on the SDGs.

By working on these themes, Mundotêxtil is committed to implementing initiatives that address these goals, contributing with its power of innovation to a more sustainable and inclusive future.

Valuing people

5 IGUALDADE DE GÊNERO

8 TRABALHO DECENTO E CRESCIMENTO ECONÔMICO

Development

4 EDUCAÇÃO DE QUALIDADE

5 IGUALDADE DE GÊNERO

8 TRABALHO DECENTO E CRESCIMENTO ECONÔMICO

Social, economic and political inclusion of all, regardless of age, gender, disability, ethnicity, origin, religion, economic or other status, guaranteeing equal opportunities

5 IGUALDADE DE GÊNERO

10 REDUZIR AS DESIGUALDADES



In general, Mundotêxtil contributes to the achievement of all 17 SDGs, according to the examples mentioned below.

SDGS	Mundotêxtil's contribution
1	Eradicating poverty Mundotêxtil contributes to the eradication of poverty by offering fair employment opportunities and decent wages to all its workers.
2	Zero hunger and sustainable agriculture Part of Mundotêxtil's orders are produced with organic and/or sustainable cotton, which contributes to the promotion of more sustainable agricultural practices and reduces the environmental footprint of cotton cultivation.
3	Health and well-being Mundotêxtil contributes to the promotion of health and well-being by using safe, non-toxic materials in its products and by promoting good working conditions for its employees.
4	Quality education Mundotêxtil contributes to the quality education of its workers through training, capacity building and skills development programs.
5	Gender equality Mundotêxtil contributes to gender equality by promoting diversity and inclusion in the activities in which it operates.
6	Drinking water and sanitation Mundotêxtil contributes to sustainable water management by implementing efficient water use practices in its activity, such as reducing the amount of water used and ensuring that the water used is treated and returned to the environment in suitable conditions.
7	Clean and affordable energy Mundotêxtil contributes to clean and affordable energy by investing in renewable energy sources, such as solar panels, to reduce dependence on fossil fuels and cut greenhouse gas emissions.
8	Decent work and economic growth Mundotêxtil promotes decent work and economic growth by improving working conditions, protecting workers' rights, promoting equal opportunities and fostering economic development in the communities where it operates.
9	Industry, innovation and infrastructure Mundotêxtil invests in innovation and advanced technologies to develop more sustainable products and reduce the environmental impact of its production. It also collaborates with other companies and institutions to develop sustainable infrastructures.
10	Reducing inequalities Mundotêxtil contributes to reducing inequalities by promoting social and economic inclusion in its business and by supporting projects aimed at reducing inequalities.

SDGS	Mundotêxtil's contribution
11	Sustainable cities and communities Mundotêxtil contributes to the creation of sustainable cities and communities by adopting more sustainable practices in its activity and by supporting projects aimed at improving the quality of life in the communities where it operates.
12	Responsible consumption and production Mundotêxtil adopts more sustainable production practices, such as using recycled materials or reducing the use of harmful chemicals, and promotes conscious consumption to everyone through the sustainable products it develops and the campaigns launched by its marketing department.
13	Action against global climate change Mundotêxtil contributes to climate action by adopting measures to reduce greenhouse gas emissions, such as using renewable energy, optimizing energy use and reducing waste.
14	Life in water Mundotêxtil contributes to life in water by reducing water pollution and adopting more sustainable production practices to prevent the degradation of aquatic ecosystems.
15	Life on land Mundotêxtil promotes the protection of biodiversity and ecosystems by avoiding the use of environmentally harmful materials and adopting more sustainable production practices.
16	Peace, justice and effective institutions Mundotêxtil contributes to peace, justice and effective institutions by promoting ethical and transparent business practices and supporting projects aimed at promoting social and institutional justice.
17	Partnerships and means of implementation Mundotêxtil contributes to partnerships and means of implementation by collaborating with other companies, governments and organizations in order to achieve common sustainable development objectives..

Commitments

LONG TERM: 2030 OBJECTIVES

In the long term we want to move towards de-carbonization, approaching a challenging target of a 40% reduction in carbon consumption.

SHORT/MEDIUM TERM: 2025 PLAN

By 2023 we aim to reduce our specific energy consumption by around 10%.

ENVIRONMENTAL PILLAR

We strongly believe that the industry should be held responsible for the environmental impact of its production process and, as such, at Mundotêxtil we give special importance to the ecological footprint of the production cycle as a whole, throughout our area of operation. With well-defined environmental process indicators, we monitor the contribution of our activity in all consumption/production units on a daily basis, always with a clear objective: to do more with less, so that with less raw material, fewer auxiliaries, less energy and less waste we can produce more and better. This is our basic philosophy, which is completely environmentally friendly.

At the same time, we have branched out into other areas of activity with a significant contribution to the circular economy, doing everything possible to ensure that any waste represents added value for another production process, adding even more value to the chain and reducing the overall environmental impact of the process. Our infrastructure is prepared with facilities, equipment and human resources to store, manage and treat a large part of our waste, recovering it whenever possible.

Recent times have made us review policies and create and add the concept of energy intensity to our daily mindset. With environmental management being one of our main focuses, we were able to understand that in critical periods such as those we are currently experiencing, it is urgent to reduce consumption even if production efficiency may be affected, seeking to find the balance between resource consumption and the production of the end product.



João Oliveira
Head of the Energy and Environment Department at Mundotêxtil

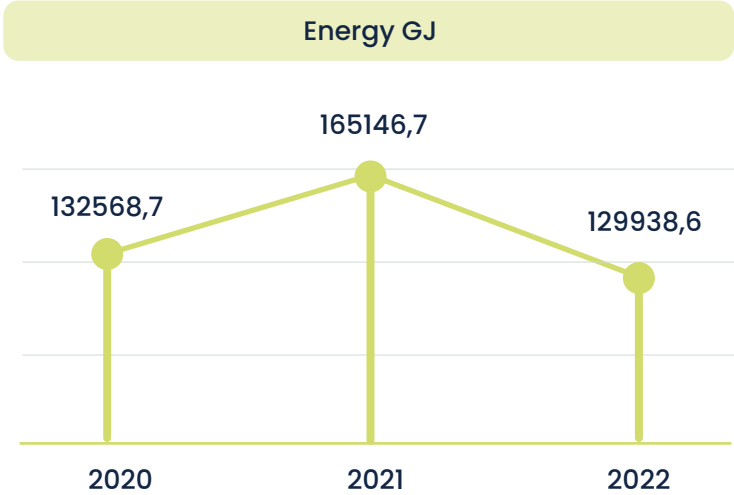
ENERGY

At Mundotêxtil we have been working to improve the energy efficiency of our production processes, which has meant a continuous reduction in energy consumption, although this is not reflected in costs (very high figures in 2022). The development of measures and improvements has been supported by the improvement processes implemented in the company.

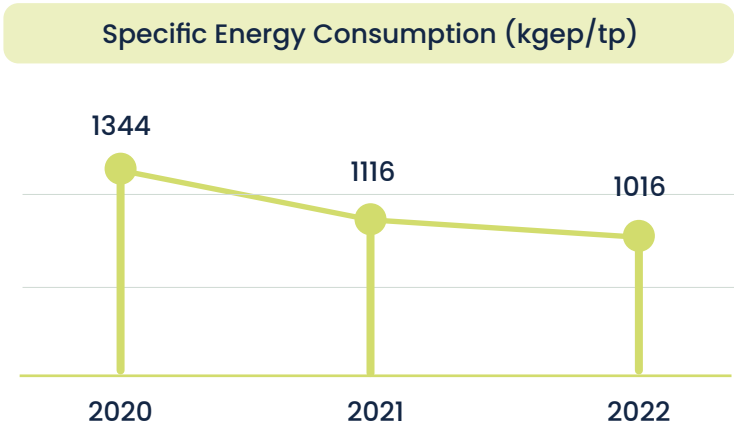
In 2022 there was a significant drop in total energy consumption, with a reduction of around 27% compared to 2021. This decrease was mainly due to the reduction in thermal energy consumption, -30.1% compared to 2021. The result obtained can be interpreted as a sign that Mundotêxtil has adopted measures to increase energy efficiency and reduce the consumption of natural resources. There was also a drop in electricity consumption of around 17.5% compared to 2021. This decrease was the result of comprehensive management in all departments, mainly production, taking into account the peaks in energy costs.

This reduction has reinforced Mundotêxtil's commitment to sustainability, namely the reduction of its environmental impact through its activity.

In 2013, we signed the Agreement for the Rationalization of Energy Consumption (ARCE) and since then we have been committed to reducing our carbon footprint, namely through greater energy efficiency.

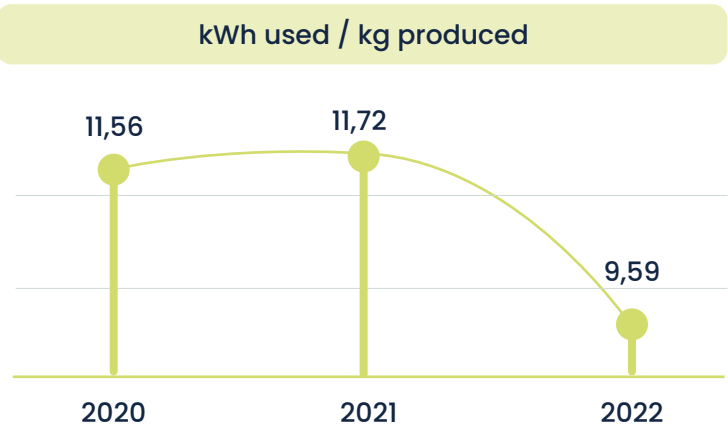


With regard to specific energy consumption, which relates energy consumption figures to production figures, there has been a 9% reduction (compared to 2021), which shows a significant improvement in the efficiency of production processes.



Based on the data illustrated in the graph below, some trends can be seen in the analysis of kWh consumption per kg produced over the years 2020 to 2022, namely:

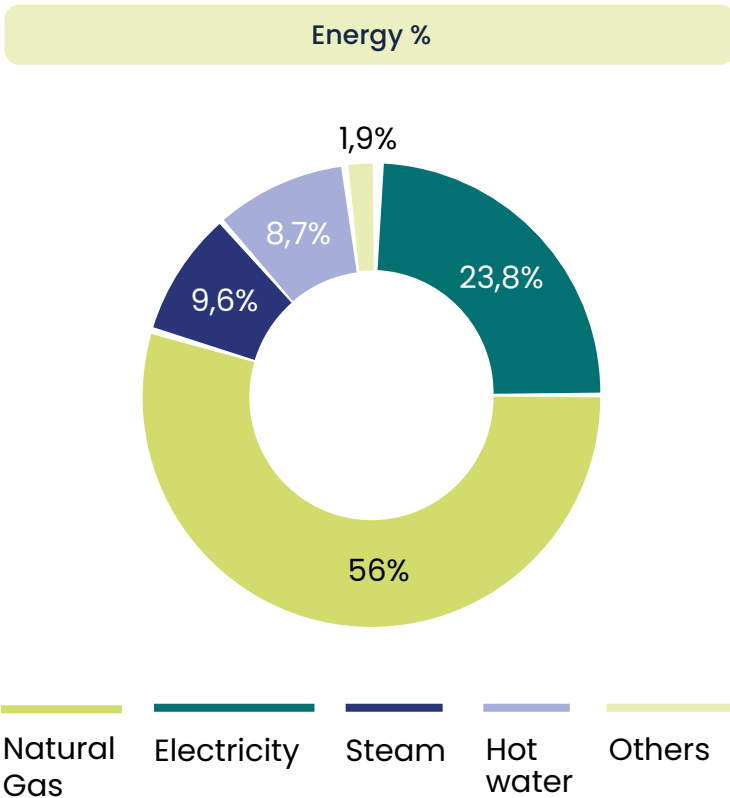
- In 2020, consumption stood at 11.56 kWh/kg produced;
- In 2021, consumption increased slightly to 11.72 kWh/kg produced, indicating a small increase in energy consumption compared to the previous year;
- However, in 2022, there was a significant drop in consumption to 9.59 kWh/kg produced, indicating a significant improvement in the energy efficiency of the production process compared to previous years.



According to the data obtained, we can see a decrease in energy consumption per kg produced over the years under analysis, which is a positive indication of the improvement in the energy efficiency of Mundotêxtil's production process. This positive result stems from various energy optimization measures implemented in our production, namely the acquisition of new equipment, process optimization and the adoption of more sustainable energy sources.

It's important to note that energy efficiency is a growing concern, since reducing energy consumption can result in economic, environmental and social benefits, namely lower operating costs, reduced greenhouse gas emissions and the conservation of natural resources. It is encouraging to see a decrease in the consumption of kWh per kg produced over the last few years, which indicates greater awareness and action in relation to energy efficiency in production.

The breakdown of energy consumption in 2022 in the form of electricity and thermal energy (natural gas, steam, hot water) according to sector/process/product is shown in the graph below.



As shown, natural gas continues to be the main source of energy used, accounting for 56.0% of total consumption, followed by electricity with 23.8% and steam with 9.6%.

Energy efficiency investments in 2022

We invested in a pre-dryer for the terry finishing sector, with the aim of reducing energy consumption (especially thermal) in this important sector. Two economizers were installed in the boilers (preheating water using the boiler's own exhaust gases, allowing significant savings in natural gas). We continue to reduce the number of machines, making the most of space and maintaining the installed capacity of the production process as a whole.

MEASURES TAKEN TO OFFSET RISING ENERGY COSTS

In order to cope with the increase in energy costs, Mundotêxtil had to take a series of measures, namely:

- Reviewing production processes;
- Cross-referencing consumption with the cheapest energy periods;
- Creation of an algorithm to evaluate/cross-reference basic concepts that had been taken for granted but had become temporarily outdated in a galloping manner (energy intensity vs. production efficiency vs. work plan).

Empirically considering that “time is money”, we try to make the most of and increase the productive efficiency of our process, resulting in a direct increase in energy intensity. In some specific cases, and depending on the work plan, it has become clear that we can compromise efficiency to the detriment of reducing energy intensity.

GOALS SET IN 2021

With regard to the targets presented in the sustainability report for 2021, the installation of the new yarn dyeing plant is nearing completion, but the installation of a photovoltaic plant for self-consumption has not yet been completed (we aim to determine this during 2023). The target for 2025 (to reduce the number of machines while maintaining/increasing the installed capacity, making the process more efficient from an overall point of view) remains unchanged and is already being implemented.

In 2022 there was an investment in “energy literacy”, highlighting measures such as raising awareness of the moment, the importance of saving (however minimally) and the daily dissemination of the hourly price of energy in various departments of the company..

COMMITMENTS

LONG TERM: 2030 GOALS

In the long term we want to move towards decarbonization, approaching a challenging target of a 40% reduction in carbon consumption.

SHORT/MEDIUM TERM: 2025 PLAN

By 2023 we aim to reduce our specific energy consumption by around 10%.

EMISSIONS

As a company committed to sustainability, Mundotêxtil is committed to reducing greenhouse gas emissions and minimizing their impact on the environment. Recognizing that emissions are one of the main causes of climate change, Mundotêxtil is committed to reducing its emissions in all areas of its production. This commitment includes adopting more sustainable practices and technologies, reducing energy and raw material consumption, adopting renewable energy sources and using more efficient transportation systems with less environmental impact.

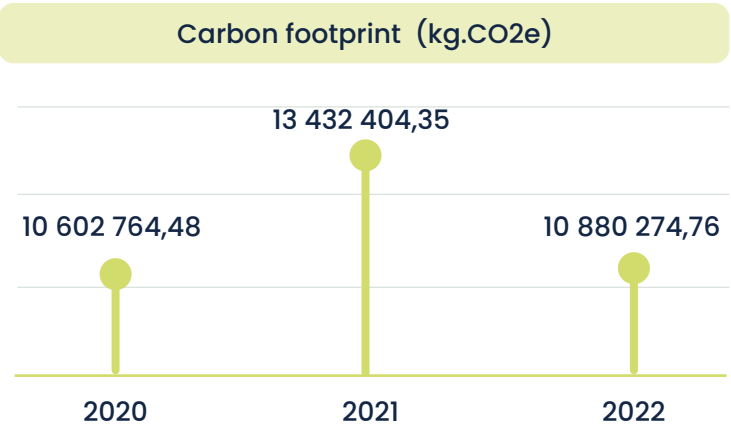
We are currently working with our suppliers and business partners to adopt more sustainable practices, thereby promoting the reduction of greenhouse gas emissions throughout the production chain.

Although we are aware that there is still a lot to do to reduce our environmental impact and that the changes required are challenging, we are committed to working to reduce our emissions and contribute to a more sustainable and healthier future for everyone.

SCOPE 1 AND 2

We are aware that the textile industry contributes daily to the emission of gases that have their share of responsibility for climate change on our planet. Therefore, from a perspective of continuous improvement, monitoring the carbon footprint is a crucial indicator in the management of Mundotêxtil's business, making it essential to minimize environmental data and invest in alternatives to reduce gas emission activity.

Our direct emissions are mainly associated with energy consumption, all the gases emitted by burning natural gas and the fuels used in our fleet. In this way, the carbon footprint provides a more comprehensive view of an entity's sphere of influence on the greenhouse gas (GHG) emissions for which it is directly responsible.



Regarding the data under analysis, there was a decrease compared to 2020 and 2021, namely 2.6% and 26.7%. These reductions show that Mundotêxtil has adopted significant sustainability measures, managing to reduce its carbon footprint essentially through improvements in energy efficiency.

All the measures to reduce energy consumption mentioned in section “6.1 Energy” have been implemented to slow down decarbonization.

The decrease observed in the data analyzed represents an important step forward for Mundotêxtil in terms of sustainability and demonstrates a commitment to reducing its environmental impact. The continuation of these sustainable practices should be encouraged and recognized as a contribution to building a fairer, more balanced and sustainable world.

Commitments

LONGO PRAZO: OBJETIVOS 2030

Reduce own emissions by 6% compared to 2021.

SHORT/MEDIUM TERM: 2025 PLAN

As early as 2023, we intend to take a major step along this path with the acquisition and installation of a biomass boiler.

WATER

Water is an essential commodity for human life, for the balance of ecosystems, for food production, for energy generation and for the economy in general. The environmental and economic pressures placed on this limited natural resource, as well as its intrinsic relationship with other priorities such as energy production, adapting to climate change and growing food, all contribute to the management of water and its services which has become a priority on the international agenda.

At a national level, industry is the third largest consumer of this essential commodity. In this sense, we seek to manage water use, consumption and discharge in such a way as to generate the least possible negative impact on the environment.

In 2022, total water consumption was 344,677 m3.

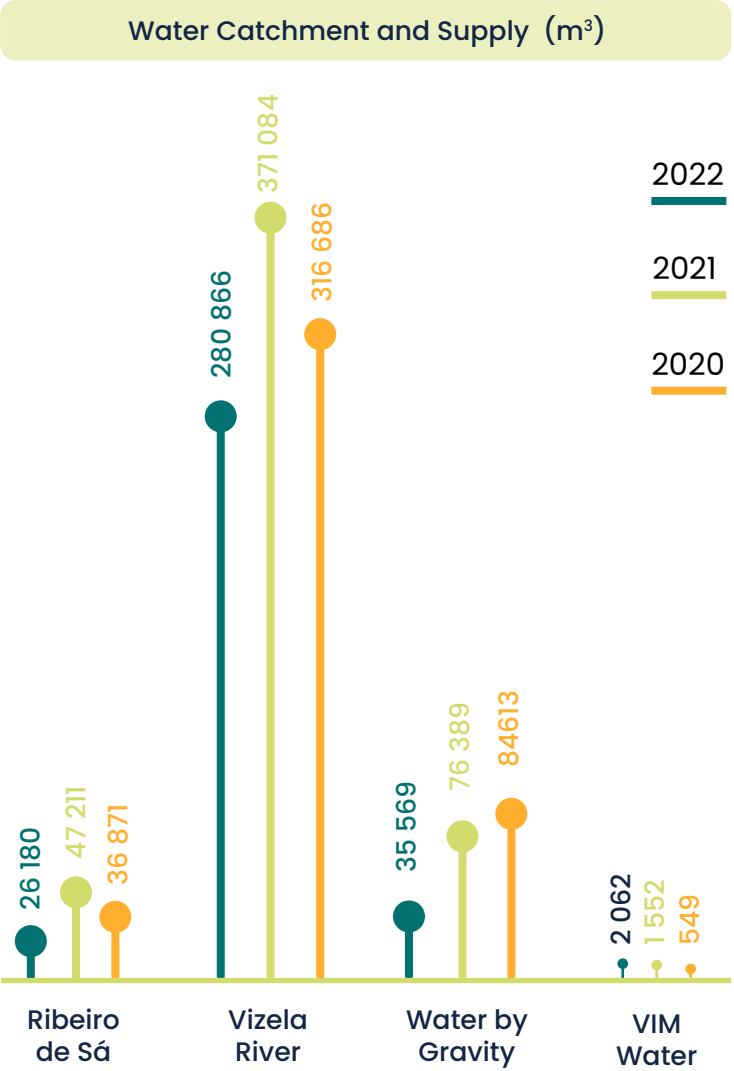
At Mundotêxtil, in 2022, compared to 2021, we had water savings of around 151,000 m3 (-30%), an amount of water that would meet the average water consumption recommended by the World Health Organization(*) of 1,372,727 inhabitants.

(*) Average water consumption per inhabitant per day (recommended by the WHO): 110 liters (0.11 m3). [Source](#)

The graph below shows the annual operating period of each catchment and supply, which corresponds to the operating period of the facility, with a total of 222 working days.

In order to reduce water consumption, in 2022 some production processes were:

- Some production processes were revised.
- Gravity water (equated with recycled water) from machine cooling and rain.



Commitments

LONG TERM: 2030 GOALS

Reduce water consumption by 10% compared to 2020.

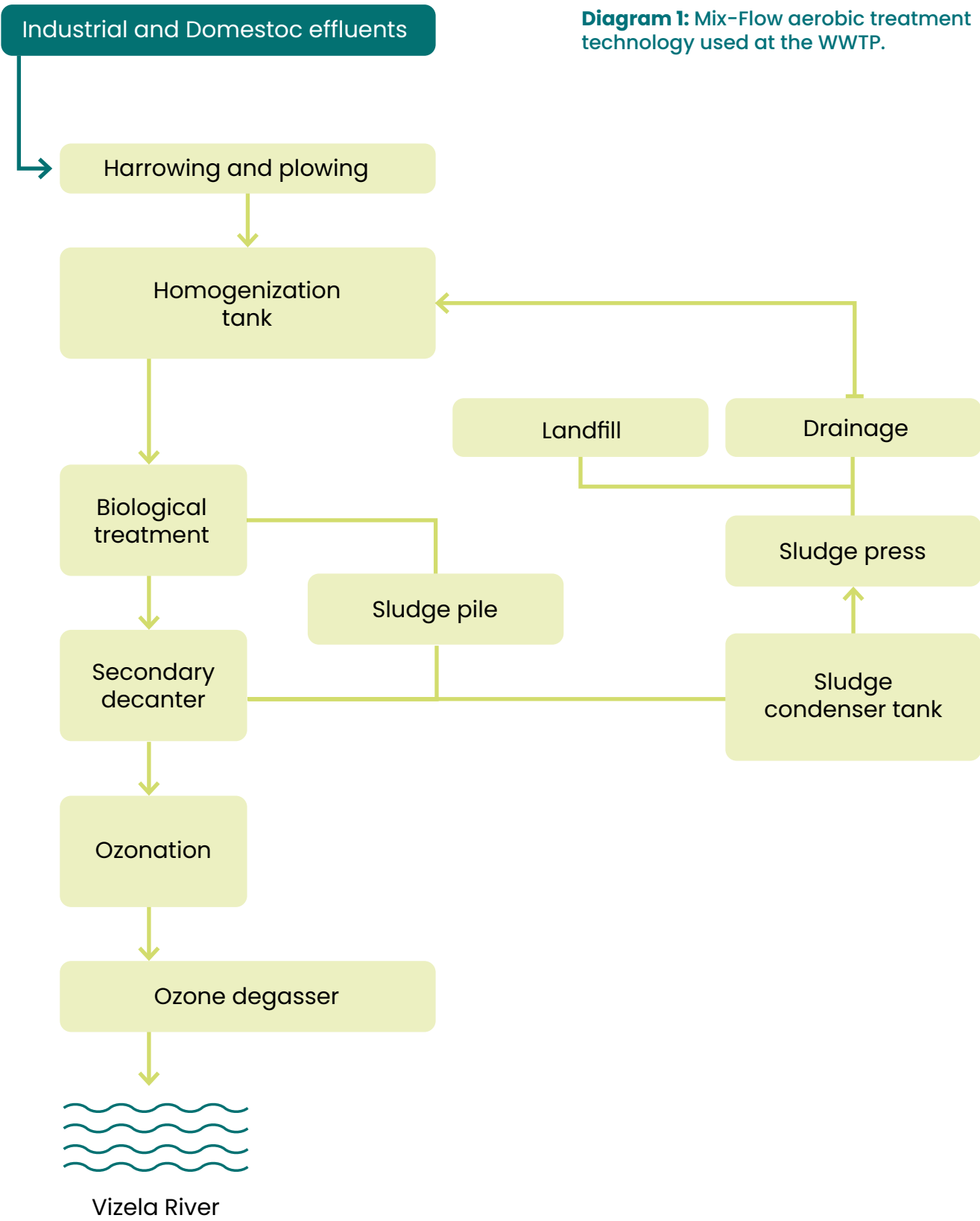
SHORT/MEDIUM TERM: 2025 PLAN

In the short term we aim to reduce water consumption by 3% with the start-up of the yarn dyeing plant.

EFFLUENTS



To ensure the proper treatment of all the water used in its processes, Mundotêxtil has invested in water treatment infrastructure. The company has a WTP (Water Treatment Plant) and a WWTP (Wastewater Treatment Plant) to treat its effluents. The WWTP uses Mix-Flow aerobic treatment technology (Diagram 1), which covers the entire treatment process, from pre-primary to secondary, and uses ozone disinfection, with daily internal monitoring, to ensure that the wastewater that is returned to nature will not cause negative impacts.



After being treated, most of the effluent generated by Mundotêxtil is discharged into the surface waters of the Vizela River. To this end, we carry out monthly monitoring of all the effluent's quality parameters, in accordance with the stipulated wastewater discharge license.

Another percentage of the water treated by Mundotêxtil is sent to the municipal collector of Sistema Integrado de Despoluição do Vale do Ave (SIDVA). To this end, the quality of the effluent is monitored quarterly, in accordance with the Municipal Effluent Discharge Regulations.

According to the data available in Table 2, it can be seen that there was an increase in the percentage of effluent sent to SIDVA in 2021 (18%) compared to 2020 (14%). However, in 2022, this percentage fell to 16%.

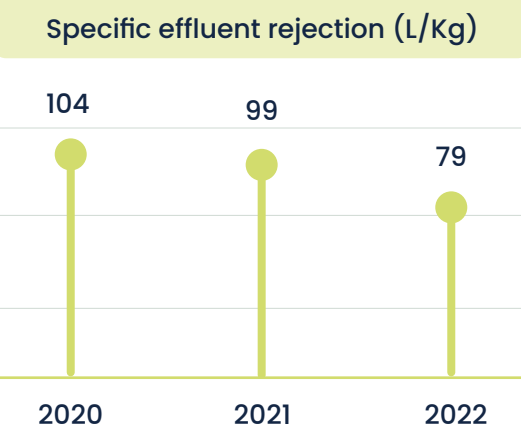
As for effluents discharged into Vizela River, there was a decrease in 2021 (82%) compared to 2020 (86%). However, in 2022, there was an increase in this percentage compared to 2021, to around 84%.

These variations indicate changes in Mundotêxtil's production processes in relation to the management of its effluents, reinforcing that it seeks to maintain a balance in the discharge of its effluents into the different systems.

Looking at the period of data under analysis in the graph below, there has been a lower effluent load per kilogram produced, which reflects an improvement in the efficiency of Mundotêxtil's production processes.

Table 2: Percentage of water discharged into the SIDVA municipal collector and the Vizela River.

YEAR	SIDVA %	VIZELA RIVER %
2020	14%	86%
2021	18%	82%
2022	16%	84%



The results obtained from the composite samples of industrial and domestic effluent have shown compliance with the exposure limit values (ELVs) of the discharge license, however, given the demands of our clients, we do not limit ourselves to complying with the legal parameters and seek to go much further in this control.

CIRCULAR ECONOMY

Circular economy is an essential concept for business sustainability and environmental preservation. Mundotêxtil, as a company committed to sustainability, believes that the transition to a circular economy is an opportunity to contribute to a more sustainable future.

This includes the adoption of practices such as the reduction, reuse and recycling of materials, the use of renewable energies, the optimization of natural resource management and the adoption of new technologies that allow for a greater closing of cycles.

Optimizing industrial processes is a constant concern for Mundotêxtil, which has recently invested in equipment to reduce the production of waste inherent in its production process.

We also value the recovery of our waste, reintegrating it into our production process or recovering it for use in other industries, namely by integrating the principles of the circular bioeconomy. We believe that it is important to be aware of the value of a given piece of waste and its recycling in its final life cycle.

Mundotêxtil has been committed to the circularity of its products for a long time, with several projects developed and under development that promote the circular economy, namely:

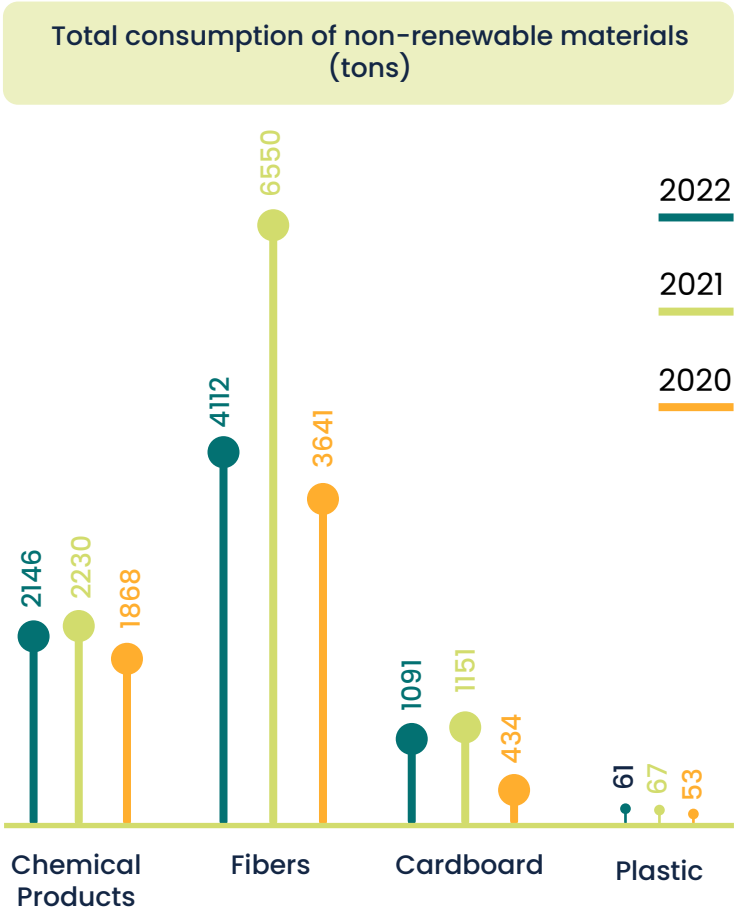
- TerryPlanet;
- Bioeconomia;
- Conscious;
- E*Denim;
- Recircle;
- E*BestCotton;
- Do Burel ao Papel;
- Playground;
- Good Earth Cotton;
- Others.

MATERIALS

The main materials consumed by Mundotêxtil throughout its production process are:

- Raw materials (textile fibers);
- Chemical products;
- Cardboard;
- Plastic.

These materials come from non-renewable sources, which is why Mundotêxtil strives to make its production process more efficient and consume fewer resources. Below are the annual quantities consumed of these materials, expressed in tons.



Compared to 2021, in 2022 there was:

- A reduction in the purchase of plastic of around 9.6% (a saving of approximately 6 tons);
- A reduction in the purchase of cardboard of around 5.5% (a saving of approximately 60 tons);
- A reduction in the purchase of textile fibers of around 59.3% (a saving of approximately 2438 tons);
- A reduction in the purchase of chemical products of around 3.9% (a saving of approximately 84 tons).

All the boxes purchased by Mundotêxtil have a percentage of recycled material in their composition and some are produced with 100% recycled material. Therefore, 100% of all boxes purchased by Mundotêxtil contain recycled material.

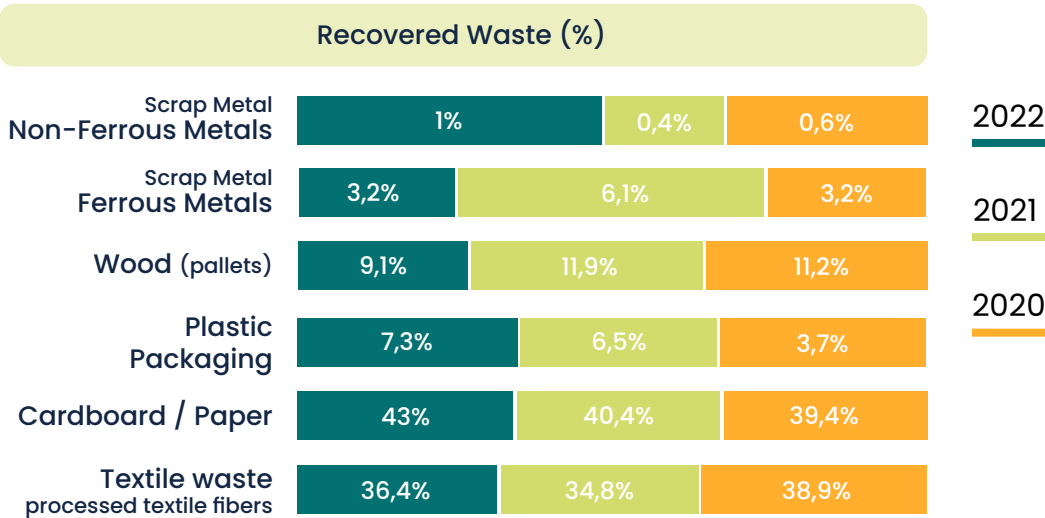
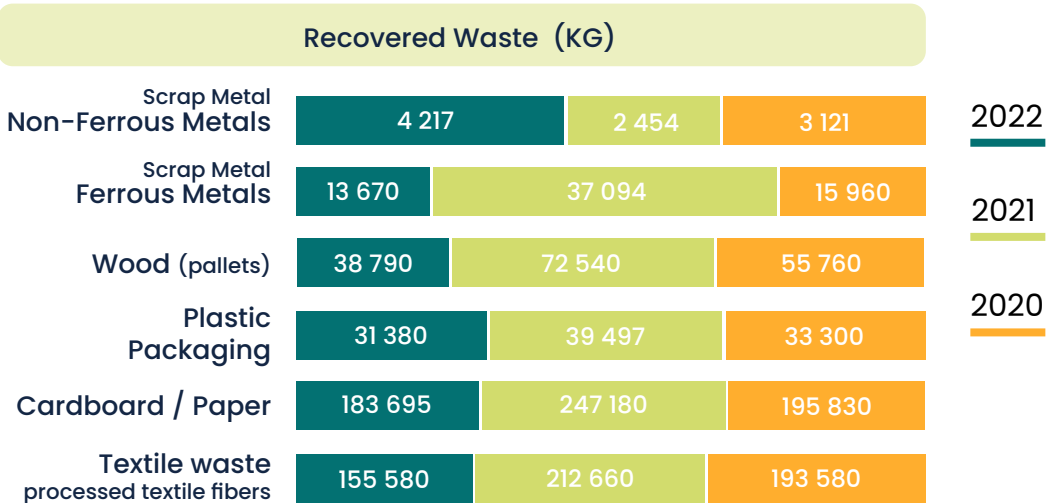
It is possible to see a general increase in the purchase of all materials in 2021 when compared to 2020, but a significant drop when compared to 2022. However, it is important to note that these figures can be influenced by various factors, including changes in market demand, fluctuations in material prices and external events such as the pandemic and war, and cannot be used to draw definitive conclusions.

WASTE

Mundotêxtil has adopted a broad approach to waste management, which involves not only the proper disposal of waste, but also the prevention of its creation and the use of new circular flows, such as waste recovery. Preventing the creation of waste can be achieved through a series of measures, such as the efficient use of raw materials, reducing the use of packaging, improving processes and reusing materials. The design of new circular flows means that the waste generated by Mundotêxtil is reused as raw materials in other stages of the production process, which leads to a reduction in waste and an increase in resource efficiency.

Mundotêxtil has a well-structured system for storing, treating and separating waste, which makes it possible to identify which waste has the potential to be recovered and how this can be done.

Recovery close to 100% suggests that Mundotêxtil is maximizing the potential of its waste, which can be seen as a competitive advantage and a responsible approach to waste management.



AVERAGE CONSUMPTION
IN THE PRODUCTION OF A
TOWEL

It is estimated that a standard medium-sized towel measuring 50 cm x 100 cm, weighing 500 g/m² and weighing 250g consumes:

- 11 liters of water;
- 2.40 kWh of energy (using the 2022 specific consumption of 9.59 kWh/kg);
- 0.629 kg.CO₂e in the carbon footprint (using the 2022 specific carbon consumption of 22.518 kg.CO₂e).

SOCIAL PILLAR

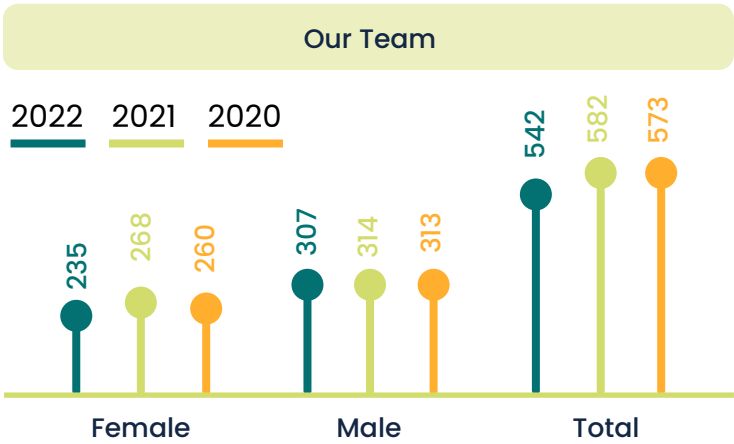
At Mundotêxtil, the main focus of the Human Resources department is to promote the satisfaction, motivation and harmonize the needs of its workers, by promoting an organizational climate with the development of a competent, productive and specialized team.

The department's strategic management involves attracting and retaining qualified human resources, and to this end it intends to continue with an internal organizational development program; to continue establishing partnerships with universities and other external entities (such as CITEVE/PBS) in order to promote the updating of knowledge and contact with innovation projects in the sector.

EMPLOYEES

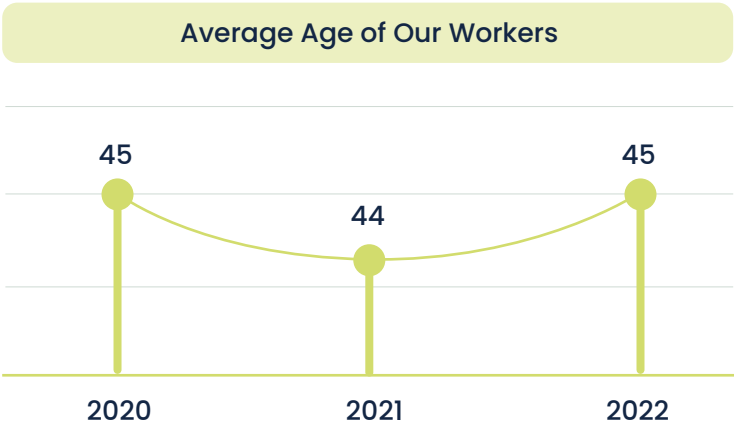
In 2022, Mundotêxtil had a team of 573 employees, 45% of whom were female and 55% male. The principle of promoting gender equality is also present in management, supervisory and administrative positions, where it was found that 60% of employees were female, demonstrating the work Mundotêxtil has done to promote gender equality at all levels of the company.

Mariana Oliveira
Head of Human Resources at
Mundotêxtil



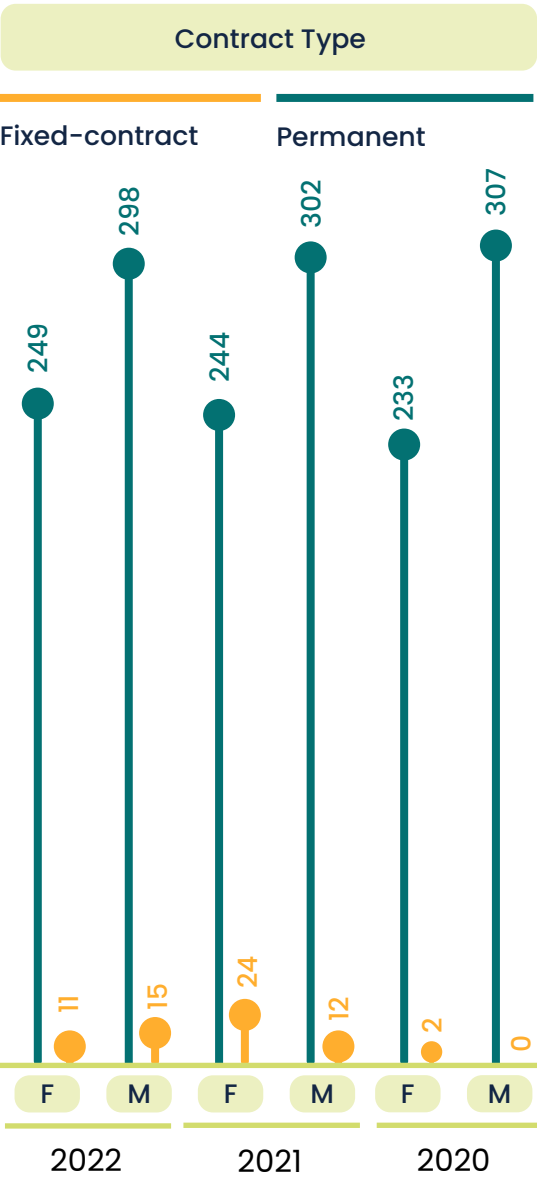
As shown in the graph above, in 2022, compared to 2021, the number of employees fell slightly, as a result of the automation of processes and the renewal of staff with increased skills.

In 2022, the average age of our team was 45, with a slight increase in the average age compared to previous years (45 in 2020 and 44 in 2021), as a result of the continuous process of renewing the workforce due to the approaching retirement age of many employees.



95%
Permanent Contract

In order to reduce employee turnover and convey confidence, more than 95% of contracts are for an indefinite term..



Mundotêxtil is concerned with promoting the growth of permanent employment, but given the general instability caused by the pandemic and the war between Ukraine and Russia, the company has felt the need to resort to fixed-term contracts. Despite a decrease compared to 2021, 26 workers (15 males and 11 females) were hired on fixed-term contracts in 2022..

RESPECT FOR FREEDOM OF ASSOCIATION

All Mundotêxtil employees are covered by the Collective Bargaining Agreement between AN-IT-LAR and FESETE.

LABOR RELATIONS AND SOCIAL CLIMATE

Employee satisfaction and motivation are considered critical success factors in the competitiveness of organizations. To this end, Mundotêxtil conducts an annual satisfaction survey of all employees. In 2022, a total of 383 responses were received, representing a sample of 65% of all employees, with a very positive overall result.

The surveys were sent by email to all workers in the administrative areas on May 12, 2022. For the production area, workers were approached in their own section, provided with a laptop in a private place, so that they could answer confidentially. These were carried out between May 12 and 31, 2022.

The main objective was to analyze the perception of the different aspects of Mundotêxtil, in order to align strategies so that everyone feels an integral part of the company.

CAREER MANAGEMENT AND EMPLOYABILITY PROMOTION

Mundotêxtil has various programs and strategies for career development and employability promotion for its employees. This priority is evident in the recruitment of recent graduates, with various internship programs and cooperation agreements with universities.

In the Entrelaçar project, a program is planned for 2023 which includes the dissemination of Mundotêxtil's values as a model for action and the definition of a set of behaviours associated with each one, with the aim of aligning all employees with the same principles and managing team performance in order to ensure the company's success. This project will not only make it possible to manage performance, but also to provide support for career development and progression.

SKILLS DEVELOPMENT AND TRAINING

Mundotêxtil recognizes that investing in developing the skills and training of its employees is essential to its success, since constant training and education promotes employee motivation and involvement. Employees feel valued and recognized, bringing good results for the company, such as increased productivity, increased talent retention, reduced turnover costs, the creation of a more collaborative and motivating work environment, making Mundotêxtil more competitive and innovative.

That said, in order to promote the personal and professional development of our employees, a partnership was set up with Duodifusão so that those interested could complete basic and secondary education, which is currently attended by 25 employees.

In terms of training, two programs/projects were included, the Autonomous Training Program and the “ENTRELAÇAR” Project, both of which will continue in 2022. The Autonomous Training Program was completed in September 2022. However, it is important to note that in 2022 an application was submitted for a new Autonomous Training Program, which was approved in January 2023.

Table 3	
Total training hours	694,5
Total number of employees	534
Total number of employees (male)	307
Total number of employees (female)	227
Employees (senior/technical staff)	75
Employees (middle management and direct managers)	221
Remaining employees	238

MANAGEMENT BY OBJECTIVES AND INDIVIDUAL PERFORMANCE

Table 4			
	2020	2021	2022
Employees with performance and career development reviews (%)	-	-	100%

In 2022, an individual performance appraisal was carried out, in which the manager assessed a number of indicators defined by the Board of Directors in collaboration with the Human Resources department. In this evaluation by objectives, clear and measurable objectives were established for the employee, and their performance was evaluated based on the degree to which they achieved these objectives during the period evaluated.

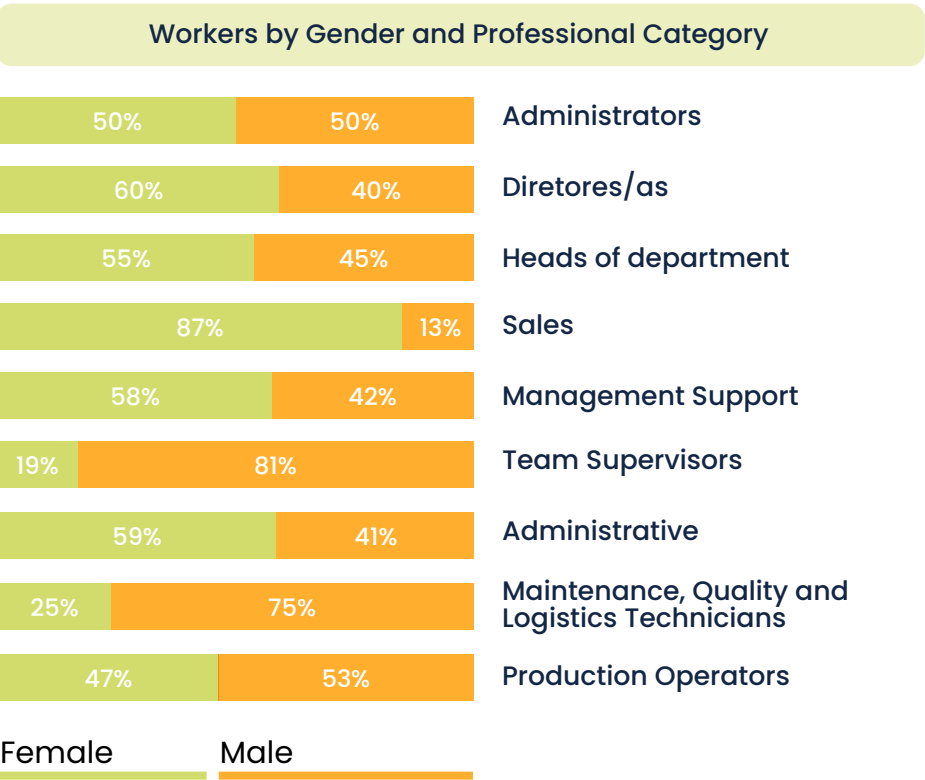
DIVERSITY, INCLUSION AND NON-DISCRIMINATION

Table 5			
	2020	2021	2022
Employed women	43%	46%	45%
Women on Mundotêxtil's Board of Directors	50%	50%	50%
Women in management positions	48%	54%	56%
Pay ratio between women and men	99%	98%	99%

Mundotêxtil has reiterated and strengthened its commitment to equality, diversity and the promotion of measures against harassment, with the improvement and widespread dissemination of a specific procedure for reporting breaches. We have created a plan aimed at gender equality with defined targets, such as the goal of achieving zero discrimination by 2030, where an ambitious percentage of women are included in the workforce and an equal percentage in management positions.

Mundotêxtil’s gender equality plan has the following lines of action:

- Mundotêxtil’s internal and external commitment to gender equality issues with the definition of objectives and targets in order to ensure their monitoring;
- Raising awareness, involving and training all employees on this issue, with a view to improving practices in this area;
- Increase the number of women in management positions;
- Increase the number of women in Mundotêxtil’s workforce.



SAFETY, HEALTH AND WELL-BEING

Mundotêxtil recognizes that working conditions play a fundamental role in the success of an organization, which is why it values its employees and considers their health and well-being to be important, thus contributing to building a positive working environment and a healthy corporate culture.

Mundotêxtil promotes and fosters a culture of safety among all its employees, guaranteeing a working environment that preserves physical and psychological integrity, while also encouraging a healthy and sustainable lifestyle.

HEALTH AND SAFETY

At Mundotêxtil, the health and safety of workers is fundamental, which is why indicators relating to these issues are constantly monitored, guaranteeing the early identification of any problems or risk situations.

Mundotêxtil has in-house occupational health and safety management services that guarantee the promotion of the health and safety of its workers, namely the medical services provided on a regular basis, such as a doctor and a nurse, regular appointments with nutritionists, psychologists and osteopaths, the flu vaccine and the prescription of medication.

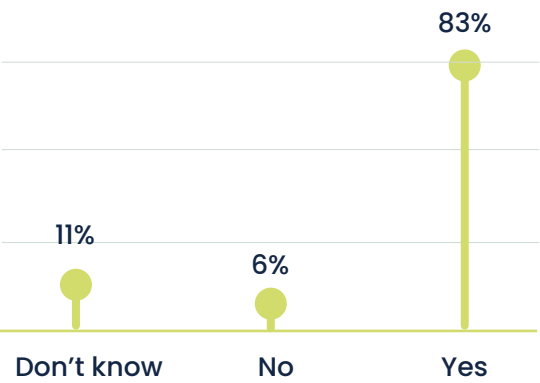
In compliance with Law no. 102/2009 of September 10, as amended and republished by Law

Mundotêxtil sends out a positive message about the company’s stance on the safety and well-being of its workers, reinforcing its commitment to corporate social responsibility and to creating a safe, healthy and sustainable working environment.

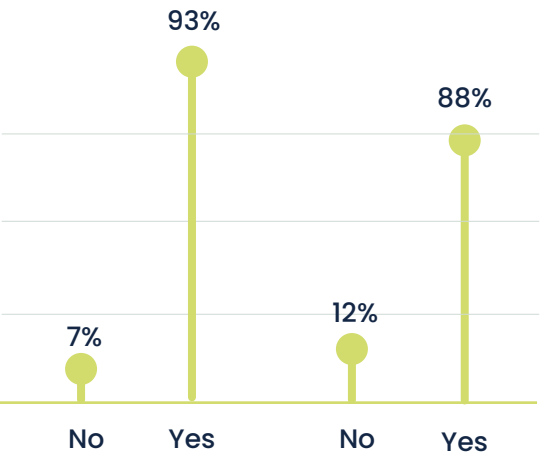
no. 3/2014 of January 28, a survey was carried out to assess employees’ opinions on health and safety conditions at work. This survey is carried out annually and the assessment for 2022 was carried out between April 17 and May 22, 2023. For the administrative sector, it was made available online and for the production sector, responses were collected in person with the help of a tablet.

Of the population of 567 employees, 442 responded, representing a percentage of 78%.

The majority of workers were positive about the information provided on this subject, and also said that they were aware of the occupational risks to which they were exposed, as well as the preventive measures to be adopted.



Most workers said they were aware of the safety measures (93%) and knew how to act in the event of an emergency (88%).



With regard to accidents at work, Mundotêxtil keeps an up-to-date record and has seen a continuous decrease in the number of accidents. This result is due to the work that has been carried out at the company:

- Training in occupational risks: Mundotêxtil has trained its workers to identify and prevent possible occupational risks, which can help reduce the number of accidents at work;
- Reinforcement of safety measures: This includes the development of safety protocols, the installation of safety equipment and the provision of appropriate PPE and CPE, with the aim of preventing accidents and injuries in the workplace;
- Distribution of PPE and CPEs: Mundotêxtil provides its workers with the necessary protective equipment to prevent occupational injuries and illnesses;
- Creation of safety instructions: Mundotêxtil has developed, implemented and monitored safety measures to protect its workers;
- Carrying out drills: Mundotêxtil simulates emergency situations every year which can help to reduce the severity of accidents at work.

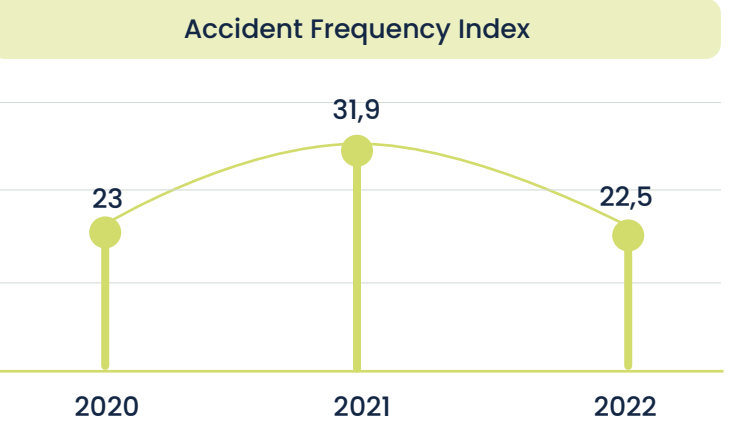
Table 6: Data relating to work accidents

	2020	2021	2022
Number of accidents at work	18	31	24
Frequency index	23,0	31,9	22,5
Severity index	0,451	0,496	0,415

According to the table, the total number of accidents at work in 2022 was lower than in 2021 (22.6% less).

Two new indicators have emerged, the frequency index (measures the frequency of accidents at work in relation to the number of hours worked) and the severity index (measures the severity of accidents at work in relation to the total number of hours worked).

Based on this data, we can infer that although the total number of accidents at work increased in 2021 compared to 2020, both the frequency index and the severity index increased, indicating that accidents at work have become more serious and more frequent in relation to the number of hours worked. However, in 2022, both indices decreased compared to 2021, indicating that Mundotêxtil has adopted measures to improve safety conditions at work.



COMMITMENTS

SHORT/MEDIUM TERM: 2024 PLAN

- In the short term we aim to:
- Create an internal occupational health and safety team;
 - Reinforce emergency organization training (for all employees);
 - Reinforce firefighting training (team);
 - Increase the number of workers trained in first aid;
 - Update the emergency teams.

WELL-BEING

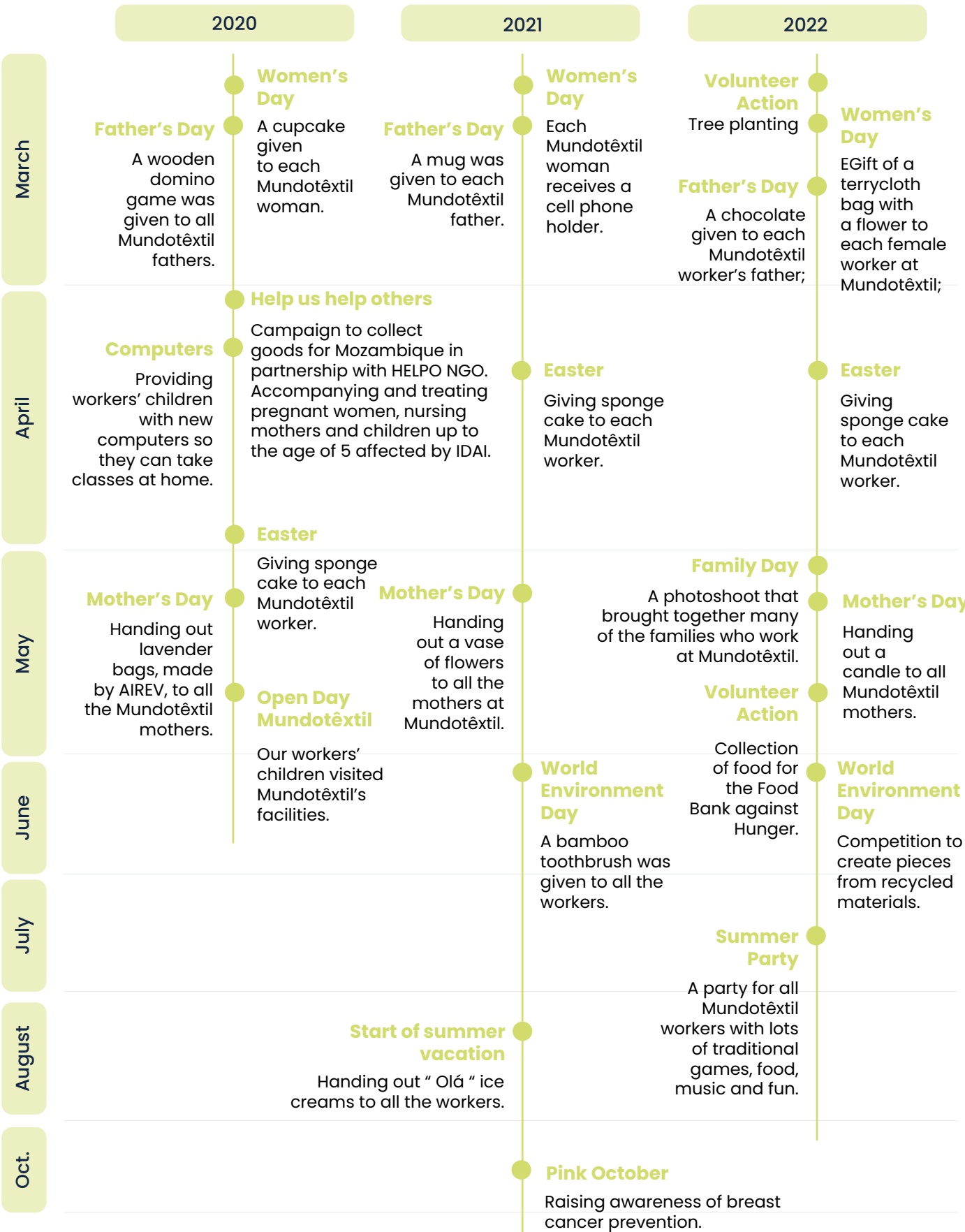
Mundotêxtil’s employees benefit from various services, namely in the purchase of products and services (its own and those resulting from partnerships and protocols), salary bonuses and support that encourages the balance between personal and family life and work, namely:

- Benefits in terms of health services: offer of life insurance and health insurance to all employees (possibility of including direct descendants such as spouse/child); provision of medical services outside the scope of occupational medicine; free nutrition, psychology and osteopathy appointments for all employees; offer of flu vaccine; partnerships with gyms, dental clinics with special conditions and discounts, and pharmacies that accept orders and deliver medicines to our premises.
- Benefits and initiatives for recognition and celebration throughout the year: gift baskets at Christmas and books for employees’ children and various recognition awards.
- Parental protection: all Mundotêxtil babies receive a monthly baby check worth €50 for one year, which they can use at the pharmacy to buy baby products.
- Legal protection: free legal support for all employees.
- Birthday present: 10% discount in our factory store and gift delivery.
- FC VIZELA: offer of tickets, drawn by lot among all workers, to watch FC Vizela matches in the Mundotêxtil box.

INITIATIVES

Undertaking initiatives such as celebrating special dates has several advantages for companies, since they not only create a more relaxed and welcoming atmosphere in the workplace, but also help to improve employee satisfaction and involvement, and strengthen the company’s image with its customers and the community in general.

Mundotêxtil develops initiatives in this regard because of the positive impact they have on the motivation of its employees, since by showing interest in celebrating special days it means that it cares about the well-being of its employees and that it values diversity and inclusion, increasing the employees’ sense of belonging and improving the organizational environment.



		2020	2021	2022
November			Blue November Raising awareness of prostate cancer prevention.	World Cinema Day Prize draw for movie tickets and menu for 3 employees.
				Innovation Open Day Presentation of the TerryPlanet project to all Mundotêxtil employees and external guests.
December	Christmas Handing out Christmas baskets to all the workers and 14 days of presents until Christmas, where a draw was held for a present for 14 workers.	Christmas Delivery of Christmas baskets to all employees; A book for employees' children up to the age of 18; Prize draw for 3 all-inclusive one-week stays in the Algarve for 3 employees and their families; Christmas decoration competition with a prize for the 3 most original decorations.	St. Martin's Day Hiring a lady to roast chestnuts on our premises and giving all the workers a chestnut cartridge. Christmas Delivery of Christmas baskets to all employees; Christmas card competition with a prize for the 3 most original decorations.	

COMMUNITY/SOCIETY AND INNOVATION

In general, Mundotêxtil is committed to its community and is responsible for:

- Acting in full compliance with the laws and regulations in force in the region where it operates, as well as providing the authorities with all the collaboration within its reach;
- Being part of a value chain that generates income in the places where it is established, respecting local culture and communities and providing high quality products and a deep commitment to economic, social and environmental sustainability;

- To foster the ambition of continually developing new terry towel solutions that add value to the market compared to conventional solutions and that uniquely combine the technical performance, quality and sustainability of the materials used;
- Minimize the negative impact that its activities have or may have on the community where it operates, showing openness and honesty, respecting local cultures and traditions, supporting and promoting initiatives to build relationships with institutions and the local community in general;
- Promote internal and external environmental awareness actions.

Mundotêxtil has shown a broad vision of its role in society and is committed to promoting actions that benefit not only its workers and customers, but also the community in general. To this end, it is committed to communicating current issues, developing themed days and weeks (such as World Day for Safety and Health at Work, Environment Week, Innovation Open Day and Quality Week), and maintaining a constant willingness to host school visits to its facilities and WWTP.

Construa uma cultura POSITIVA de segurança e saúde no trabalho

Não vamos AGIR EM CONJUNTO

DIA MUNDIAL DA SEGURANÇA E SAÚDE NO TRABALHO 28.03.2022

Curiosidades

Em Portugal ocorrem cerca de 200.000 acidentes de trabalho por ano.

No Mundo morre um trabalhador a cada 15 segundos, isto significa que num ano existem cerca de 2,3 milhões de mortes relacionadas com acidentes de trabalho.

Cerca de 310 milhões de trabalhadores sofrem de lesões profissionais não fatais todos os anos, o que significa que 880.000 pessoas ficam feridas nos seus locais de trabalho todos os dias.

A fadiga é a principal causa dos acidentes de trabalho.

A realização de tarefas repetitivas facilita a ocorrência de acidentes de trabalho.

SABIA QUE? ENTRE 30 PAÍSES EUROPEUS, PORTUGAL TEM O MAIOR NÚMERO DE ACIDENTES DE TRABALHO.

BENEFÍCIOS DE UMA CULTURA SST

- Melhor produtividade no dia a dia dos trabalhadores;
- Redução de riscos para os trabalhadores;
- Prevenção de doenças profissionais;
- Redução de custos.

ENVIRONMENT WEEK

As was the case in 2021, Mundotêxtil once again marked Environment Week with the aim of raising awareness among the Mundotêxtil community of environmental issues and showing that it has worked hard to ensure that, throughout its production process, increasingly sustainable consumption and production practices are always promoted.

The RECICLARTE competition was launched this week. The concept of “old becomes new” was put to the test in a competition designed to promote and raise awareness of recycling among all Mundotêxtil employees and to promote the separation of used packaging as a simple gesture and a daily habit.

RECICLARTE was the name given to the competition that called for creativity – “Put some recycled material together and create a unique object”. The rule was to use only recycled material and incorporate excess production (made available for this purpose) in order to create new pieces with some utility. We share the winning image of the competition, table football.

ENVIRONMENT WEEK



COMPETITION RECICLARTE WINNER



INNOVATION OPEN DAY

The commitment to circularity has been on Mundotêxtil’s agenda, which is why it has participated in several projects with entities from the Scientific and Technological System (“Sistema Científico e Tecnológico” – SCT) that develop innovative technologies, such as Fibrenamics. Mundotêxtil’s management always has the same goal in mind.

And because these changes cannot be confined to Mundotêxtil, so that we can have a positive influence on those around us, in November 2022 we held an Innovation Open Day at our facilities with the aim of sharing the results of the Terry-Planet project.

This project was co-financed by the EU through the European Structural and Investment Funds, Portugal 2020, and was developed in close collaboration between Mundotêxtil’s RDI Department and Fibrenamics (the University of Minho’s international platform for the development of products based on fibers and composites) and focused on Mundotêxtil’s principles of investing in the sustainable development of new products in order to reduce Mundotêxtil’s environmental footprint.

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 changes happen.

Mundotêxtil Board of Directors

TERRYPLANET



SOCIAL EQUALITY

We recognize that sustainability should not only be seen in Mundotêxtil's business practices, but also in our impact on the community where we operate, so it is important to reinforce that we are committed to supporting the local community, thus contributing to the economic and social development of the region.

One of our main focuses is education, so we are committed to supporting educational initiatives such as scholarship programs, merit scholarships and partnerships with local schools. In addition, we offer internship and employment opportunities for young talent in the region in order to help them develop their skills for future job opportunities.

Another way in which we support the community is through our volunteer program, where we encourage our employees to participate in community initiatives that contribute to the sustainable development of the region. We believe that this active contribution is an important way of building positive and lasting relationships with the community, so we are committed to continuing to support the community where we operate through the creation of strategic partnerships, donations and volunteering initiatives.

Mundotêxtil also seeks to contribute to the local community through donations, in kind and in cash, having donated €11,426.74 in 2022 in support of various local and national institutions, as shown in the following graph.



Among the associations where Mundotêxtil collaborated most actively in 2022 were:

Main Donations	%
QUERCUS – Associação Nacional de Conservação da Natureza	30,6%
RARÍSSIMAS – Associação Nacional de Deficiências Mentais Raras	7,3%
Associação Viver 100 Fronteiras	21,9%
Patronato S. Pedro de Maximinos	10,2%
Santa Casa da Misericórdia de Mirandela	8,6%
Associação de Apoio à Criança	8,2%
Others	13,2%

It's Part Of Us

At Mundotêxtil we value social responsibility and recognize that it should be practiced by everyone, whether in their personal, professional or family life. This was the guiding principle for the implementation of the IT'S PART OF US program, in which the participation and involvement of the largest number of workers is decisive for the program's success. As the name suggests, it is a brand that represents Mundotêxtil's connection with each of its employees, their families and society in general and encompasses a set of four pillars:

- IT'S PART OF US | TO GROW (encourages the personal and professional growth of employees);
- IT'S PART OF US | TO HELP (mutual support and volunteering for the community);
- IT'S PART OF US | TO CELEBRATE (recognizing and celebrating the achievements of employees and the company as a whole);
- IT'S PART OF US | TO SUPPORT (support and encouragement to help employees achieve their personal and professional goals).



It'sApartOfUs#TOHELP is Mundotêxtil's corporate volunteering program, part of its Corporate Social Responsibility strategy to contribute to a more equitable, participatory and sustainable global development.

This program was created with the aim of helping to: combat social problems, improve the quality of life of the most disadvantaged, build a healthier society and contribute to a better environment. It is therefore with great pride that we see the great commitment of our workers, who give up their time off to help those who need it most. We know that with small gestures we can alleviate the great difficulties of others and it is in this context that we will continue to follow the It'sApartOfUs#TOHELP purpose.

All Mundotêxtil employees can sign up for the It'sApartOfUs#TOHELP Volunteer Program. When they sign up for the program, they receive a volunteer card and are continually challenged to take part in actions. For each action they take part in, they receive between 1 and 3 stamps, and on completing 10 and 20 stamps, volunteers receive a prize.

Mundotêxtil provides the necessary conditions for any employee to take part in social actions, always outside normal working hours.

This program aims to:

- Combat social problems;
- Improve the quality of life of the most disadvantaged;
- Help build a healthier society;
- Contribute to a better environment;
- Establish a relationship of solidarity with others, through free and structured participation in activities guided and promoted by the organization.

The first two volunteering activities under this pillar took place in 2022:

- 1st Volunteer Action: Tree Planting
The planting of 1000 trees at S. Bento in Vizela, held on March 5, 2022, aimed to promote the ecosystem by planting native forest species, namely oaks, cork oaks and strawberry trees.

Approximately 75 workers took part in this action.

- 2nd Volunteer Action: Food collection for the Food Bank Against Hunger, in a supermarket in Vizela

On May 28 and 29, 2022, the Food Collection Campaign promoted by the Food Bank Against Hunger once again had teams of volunteers in supermarkets across the country and Mundotêxtil, as part of its It'sApartOfUs#TOHELP volunteer program, was responsible for the Pingo Doce supermarket in Infias - Vizela. Mundotêxtil volunteers also helped weigh and sort food at the Food Bank Against Hunger warehouse in Braga.

The solidarity and commitment of our employees were essential in making this project a reality, with 51 Mundotêxtil workers taking part in this action.

TREE PLANTING



FOOD BANK AGAINST HUNGER



IT'S PART OF US | SUPPORT

During 2022, Mundotêxtil carried out the following activities in line with the motto "It's Apart Of Us #TOSUPPORT ":

- Internal collection of goods from all employees to send to Ukraine;
- Collection of bottle caps among all employees for the production of wheelchairs;
- Donation of 50 Christmas hampers to families in Vizela;
- Constant donation of terry towels to associations, tombolas, institutions, among others.

In terms of donations, in 2022 Mundotêxtil donated €11,426.74.

IT'S PART OF US | CELEBRATE

Em In 2022, bringing the motto It's Apart Of Us #TOCELEBRATE to life, Mundotêxtil celebrated another year of work in a relaxed atmosphere where there was no shortage of entertainment. After two atypical years in which the Mundotêxtil family couldn't get together, we really wanted to prepare a party that would bring us joy and that would remain in everyone's memory.

Team activities were carried out, teams that were put together at random, bringing together people who don't cross paths in their day-to-day work. Here, they had to work on interpersonal relationships and, together, achieve success where the most important thing was teamwork. The games were designed on the basis of traditional games: table football, target shooting and duck shooting, trivia where various puzzles got the participants thinking together, hoops, fishing, among others.

There was also a draw for a €500 shopping voucher, a much coveted prize which, ironically, went to the worker who promptly offered to draw a number out of the bag.

SUMMER PARTY



This event was also the motto for Mr. José Pinheiro to talk about the importance of the effort and dedication of everyone present in Mundotêxtil's future, that only when you want it badly enough, just like the winner of the shopping voucher, can you achieve your goals. He also said that Mundotêxtil wants to grow more and better, but for that to happen, everyone who was there had to make use of the lessons learned over the last few years. That only with everyone's wisdom and collaboration will we be able to overcome the challenges and obstacles that will exist. There was also time for a few words of thanks for everyone's participation in the celebration, which had a special flavor, as we now realized how important it was to be together.

The highlight of the celebration was when the great Toy "jumped" onto the stage and joined all the workers, from the youngest to the oldest, in the best dance moves. Toy was warmly received and always applauded and cherished by the Mundotêxtil audience, and the emotion of this moment was easily seen by the number of shares on social media. The excitement was through the roof, but at the end of the day, all you could hear was that this had been a great opportunity to see, and in some cases meet, the faces of those who bring Mundotêxtil's various activities and projects to life on a daily basis.

SUMMER PARTY



The It'sApartOfUs#TOGROW program seeks to encourage the future generation to complete secondary education and attend higher education by awarding scholarships.

Along with the environment and social support, the education pillar is one of the key areas of action in Mundotêxtil's Corporate Social Responsibility Policy.

The It'sPartOfUs|TOGROW Program is aimed at all Mundotêxtil employees who have children studying in Portugal. In addition to this requirement, the candidates (children) must not be in full-time paid employment; they must live in the exclusive economic dependence of their parents and they must have been successful at school in the previous academic year.

The program has two types:

- Merit Scholarships (focus on good school performance);
- Social Support Scholarships (intended to support the children of workers with a lower per capita household income).

In 2022 we received 89 applications for scholarships: 42 for secondary education and 47 for higher education, a much higher number than we had hoped for and which we believe will grow next year.

After careful analysis of all the applications and following the regulations that are displayed on the noticeboards for everyone's knowledge, 14 scholarships were awarded, divided into 2 for Academic Merit and 12 for Social Support:

- Secondary Education: award of 6 Scholarships and 1 Merit Scholarship;
- Higher Education: award of 6 Scholarships and 1 Merit Scholarship.

It is with great pleasure that Mundotêxtil supports the children of its employees to face each challenge and by awarding these scholarships, we hope that they will continue to invest in their education.

GRI TABLE

Declaration of use		Mundotêxtil – Indústrias Têxteis, S.A. reports in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.				
GRI 1 used		GRI 1: Fundamentals 2021.				
Applicable industry standard		Not applicable.				
GRI	Content	Location	Omission			Sector Standard Ref. No.
			Omitted re-quirements	Motive	Explanation	
GRI 2: General content						
GRI 2: General content 2021	2-1 Organization Details	4. Get to know Mundotêxtil Name of the organization: Mundotêxtil – Indústrias Têxteis, S.A. Head Office Location: Rua da Saudade, 280 – 400, 4815-413 Vizela, Portugal Type and legal nature of the property: Mundotêxtil – Indústrias Têxteis, S.A. is a public limited company, registered at the Commercial Registry Office of Vizela under the legal person number 500388407.	-	-	-	
	2-2 Entities included in the organi-zation's sustainability report	Mundotêxtil – Indústrias Têxteis, S.A.	-	-	-	
	2-3 Reporting period, frequency and contacts	3. About this Report Mundotêxtil – Indústrias Têxteis, S.A. publishes its Sustainability Report on an annual basis. The 2022 Sustainability Report refers to the period from January 1, 2022 to December 31, 2022 and is aligned, in terms of time period, with the Annual Report (Management Report and Financial Statements). The 2022 sustainability report and other information can be found at https://www.mundotextil.pt/ .	-	-	-	
	2-4 Rephrasing the information	3. About this Report In 2022, there were no changes in the company's universe that make up the limits of the consolidation of sustainability indi-cators.	-	-	-	
	2-5 External Verification	The 2022 Sustainability Report has not been reviewed by an independent limited assurance entity. This review is carried out every two years (the next review will be carried out in 2023).	-	-	-	
	2-6 Activities, value chain and other business relationships	4.6. Supply Chain Management During 2022, there were no significant changes in the type of operations carried out by Mundotêxtil – Indústrias Têxteis, S.A.	-	-	-	
	2-7 Contributors	7.1. Workers 7.2. Safety, Health and Well-Being	-	-	-	
		Total number of employees by length of con-tract and by gender				
		100% of our employees work full-time in Portugal.				

GRI	Content	Location	Omission			Sector Standard Ref. No.
			Omitted re-quirements	Motive	Explanation	
GRI 2: General content 2021	2-8 Non-employee workers	In 2022, Mundotêxtil had the collaboration of 11 workers who are not employees, namely six professionals in the area of Occupational Medicine (Curative Medicine, Nursing, Osteopathy, Nutritionism and Psychology) and five Porters.	-	-	-	
	2-9 Governance structure and its composition	5. Sustainability Governance At Mundotêxtil – Indústrias Têxteis, S.A. we have adopted a clas-sic governance model, composed of the Board of Directors. The Board of Directors is the body responsible for carrying out all management acts related to the corporate purpose, for determining the strategic orientation and for appointing and supervising the performance of the Executive Committee and the specialized committees constituted by it. The Board of Directors is composed of 4 Executive Members, 2 male and 2 female.	-	-	-	
	2-10 Nomination and selection to the highest governance body	The Board of Directors is appointed at the General Meeting by its shareholders and the term of office is 4 years. In this case, a mandate is underway that includes the three-year period from 2022 to 2025.	-	-	-	
	2-11 Chairman of the highest governance body	5. Sustainability Governance As of the date of publication of this report, José Adriano Freitas Vaz Pinheiro is Chairman of the Board of Directors. During 2022, and on 31/12/2022, the Chairman of the Board of Directors was a non-executive director, and also a representative of the sha-reholder with the highest percentage of Participation in the company. Conflicts of interest are avoided and mitigated through a ba-lance in the composition of the management bodies and the Conflict of Interest Policy approved by the Board of Directors. If there are facts that may constitute or cause a conflict be-tween the interests of a member of the Board of Directors and the interests of the Company, that member is obliged to inform the Board of Directors of those facts, as set out in the conflict of interest procedure that was approved unanimously. In the situation referred to above, the member of the Board of Directors shall abstain from participating and voting at the meeting in which the matter is discussed and voted on, without prejudice to the duty to provide information and clarifications that may be requested.	-	-	-	
	2-12 Role played by the highest governance body in overseeing impact management	5. Sustainability Governance In accordance with the provisions of the Board of Directors, it is incumbent upon the Board of Directors to approve the po-licies, budgets and strategic plan of Mundotêxtil – Indústrias Têxteis, S.A. The Board of Directors, within the defined limits, delegates the day-to-day management of the Company to the Executive Committee. The Risk Management Policy structures the processes and areas of Auditing, among others, and supports the Board of Directors in assessing the impacts of the company's activity on the economy, the environment and people. The entire set of internal rules are reviewed and updated pe-riodically according to the continuous improvement process.	-	-	-	

GRI	Content	Location	Omission			Sector Standard Ref. No.
			Omitted re-quirements	Motive	Explanation	
GRI 2: General content 2021	2-13 Delegation of responsibility for impact management	<p>5. Sustainability Governance</p> <p>The governance model of Mundotêxtil - Indústrias Têxteis, S.A. is based on a hierarchical and functional matrix that allows delegation by levels and depending on variable materiality indicators. The Board of Directors, within the defined limits, delegates the day-to-day management of the Company to the Sustainability Committee.</p> <p>According to this delegation model, there are matters that must be approved by the Board of Directors, others in which there is delegation to the Sustainability Committee below a certain value and still others in which this delegation can go to the company, depending on the pre-established value limits.</p> <p>According to this model, there are several moments of reporting of the matters dealt with in each functional area, with mostly reports on a monthly basis, but there are also reports only quarterly or annual and, on the other hand, reports that are permanently available for analysis by the Board of Directors.</p>	-	-	-	
	2-14 Role played by the highest governance body in sustainability reporting	<p>5. Sustainability Governance</p> <p>The preparation of the sustainability report is the responsibility of the Sustainability functional area, which defines the procedures for collecting information in coordination with other functional areas (e.g. environment, human resources and finance). The revision of the versions of the report is done mainly with the members of the Board of Directors.</p>	-	-	-	
	2-15 Conflicts of interest	<p>5.1. Ethics and Integrity</p> <p>Code of Ethics and Business Conduct</p> <p>5.1.1. Anti-Corruption Policy</p> <p>Anti-Corruption Policy</p> <p>Our Code of Ethics and Business Conduct and our Anti-Corruption Policy characterize the situations in which a conflict of interest may occur and define the responsibility of employees to act in the best interest of the company, and should not act in a way that conflicts with that responsibility. Situations that could potentially generate a conflict of interest should be reported to the company's Ethics Line.</p>	-	-	-	
	2-16 Communication of Critical Concerns	<p>In 2022, no reports of critical concerns were reported to the Board of Directors.</p> <p>5.1. Ethics and Integrity</p> <p>Code of Ethics and Business Conduct</p> <p>5.1.1. Anti-Corruption Policy</p> <p>Anti-Corruption Policy</p>	-	-	-	
	2-17 Collective knowledge of the highest governance body	<p>5. Sustainability Governance</p>	-	-	-	
	2-18 Performance evaluation of the highest governance body	<p>Shareholders are responsible for evaluating the performance of the highest governance body.</p> <p>In Mundotêxtil's Remuneration Policy, evaluation criteria are defined, aligned with the company's strategic objectives and sustainability, contributing to the implementation of the strategy.</p>	-	-	-	
	2-19 Compensation Policies	<p>Mundotêxtil has implemented a Remuneration Policy, which is not public, which defines the remuneration criteria. Whenever appropriate and feasible, the remuneration of the members of the Board of Directors is composed of a fixed remuneration, to which is added a variable remuneration, in line with the economic and financial performance of Mundotêxtil.</p>	-	-	-	

GRI	Content	Location	Omission			Sector Standard Ref. No.
			Omitted re-quirements	Motive	Explanation	
GRI 2: General content 2021	2-20 Compensation Determination Process	<p>The remuneration of the Directors is decided at the General Meeting, taking into account the Remuneration Policy, the nature of the functions and responsibilities entrusted and the practices observed in the market in relation to equivalent positions in large national and international companies operating in the same sectors.</p>	-	-	-	
	2-21 Proportion of total annual remuneration	<p>As this is the first Mundotêxtil Report according to GRI 2: General Disclosures 2021, the total annual compensation ratio will not be presented, and Mundotêxtil undertakes to collect the necessary information for its reporting in the next Sustainability Report</p>	-	Information not available	-	
	2-22 Declaration on Sustainable Development Strategy	<p>2. Message from the Board of Directors</p>	-	-	-	
	2-23 Policies	<p>5.1. Ethics and Integrity</p> <p>7.2. Safety, Health and Well-Being</p> <p>Mundotêxtil - Indústrias Têxteis, S.A. is governed by a solid and cohesive set of internal regulations, composed of statutes, regulations and policies, which allow the alignment of the expectations of its stakeholders, foster balanced and prudent management, reinforce transparency and highlight the company's commitments to develop its activity in line with sustainable development.</p>	-	-	-	
	2-24 Policy Incorporation	<p>5.1. Ethics and Integrity</p> <p>5.1.1. Anti-Corruption Policy</p> <p>The implementation of the commitments defined at the level of the Board of Directors is cascaded to the various corporate areas. The corporate areas define policies, procedures and cross-cutting rules applicable to the entire company. It should be noted that for the operationalization of the strategy and commitments defined in the scope of sustainability, we also have the company's Sustainability Committee.</p> <p>For the implementation of our commitments and policies, communication, training and awareness are key. Policy commitments are communicated to our employees through internal information boards and regular training sessions, covering topics such as the promotion of human rights, occupational safety and health (OSH), environment, integrity, among others. The commitments that are part of the Code of Ethics and Business Conduct are also shared with business partners at the beginning of the business relationship.</p>	-	-	-	
	2-25 Processes to Remediate Negative Impacts	<p>5.1. Ethics and Integrity</p> <p>5.3. Stakeholder Engagement and Materiality</p> <p>The processes are presented throughout the Sustainability Report.</p> <p>Each material topic describes the actions and initiatives developed to manage and remedy the impacts associated with the Company's activity.</p> <p>Mundotêxtil - Indústrias Têxteis, S.A. has carried out a process of consultation and engagement with its stakeholders, concerned with promoting their participation and contribution to the definition of the company's sustainability strategy and review of materiality. This procedure has made it possible to understand external developments and market expectations, as well as to anticipate new opportunities and risks.</p>	-	-	-	

GRI	Content	Location	Omission			Sector Standard Ref. No.
			Omitted re-quirements	Motive	Explanation	
GRI 2: Conteúdos gerais 2021	2-26 Mechanisms for counseling and raising concerns	5.1. Ethics and Integrity 5.1.1. Anti-Corruption Policy Mundotêxtil – Indústrias Têxteis, S.A. provides a helpline for issues related to ethical and anti-corruption principles, in order to prevent deviant behavior on the principles and values set out in its Code of Ethics and Business Conduct and in its Anti-Corruption Policy. The helpline is sugestoes@mundotextil.pt and it is managed by the Head of the Human Resources Department. This is an exclusive and confidential communication channel for the secure and confidential communication of irregularities or practices observed that do not comply with integrity, ethics and transparency, as reflected in our Code of Ethics and Business Conduct and our Anti-Corruption Policy. Total confidentiality of the information provided is guaranteed, which is received and analyzed solely and exclusively by the Head of the Human Resources Department and the Board of Directors. The communication or denunciation may be made through: - Filling out the form available in the white boxes of suggestions disseminated by the company; - Sending e-mails to sugestoes@mundotextil.pt; - By mail to the address "Mundotêxtil – Indústrias Têxteis, S.A. – C/C Responsible for the Human Resources Department – Rua da Saudade, nº 280 – 400, 4815-413 Vizela.	-	-	-	
	2-27 Compliance with Laws and Regulations	There are no significant cases of non-compliance with environmental and/or social laws and regulations during the reporting period, namely no significant non-monetary fines or penalties were imposed. All detected non-conformities are monitored and a response and mitigation plan is implemented for future recurrences. Among these actions is detailed investigation of the occurrence, corrective actions to prevent recurrence, and communication of lessons learned. By "significant" fines or sanctions, it is understood that it has an individual cost of more than three thousand euros (or equivalent when converted from the local currency).	-	-	-	
	2-28 Membership in associations	4.9. Commitments and Associations 7.2.5. Social Balance Mundotêxtil – Indústrias Têxteis, S.A. is part of the sectoral association, business associations, chambers of commerce and other organizations.	-	-	-	
	2-29 Stakeholder Engagement Approach	5.3. Stakeholder Engagement and Materiality	-	-	-	
	2-30 Collective bargaining agreements	7.1.1. Respect for Freedom of Association All Mundotêxtil employees are covered by the Collective Bargaining Agreement between ANIT-LAR and FESETE. However, we have only two workers unionized by FESETE (0.34%).	-	-	-	
GRI 3: Material issues						
GRI 3: Material themes 2021	3-1 Process of defining material themes	5.3. Stakeholder Engagement and Materiality 5.3.1. Relationship with Stakeholders	-	-	-	
	3-2 List of material topics	5.3. Stakeholder Engagement and Materiality 5.3.1. Relationship with Stakeholders				
Innovation & Development						
GRI 3: Material themes 2021	3-3 Management of material issues	4.7. Research, Development and Innovation Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.	-	-	-	

GRI	Content	Location	Omission			Sector Standard Ref. No.																																												
			Omitted re-quirements	Motive	Explanation																																													
Circular Economy																																																		
GRI 3: Material themes 2021	3-3 Management of material issues	6.4. Circular Economy Mundotêxtil promotes initiatives and has implemented mea-sures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.	-	-	-																																													
Human rights																																																		
GRI 3: Material themes 2021	3-3 Management of material issues	7.2.4. Community/Society and Innovation Mundotêxtil promotes initiatives and has implemented mea-sures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.	-	-	-																																													
GRI 200 – ECONOMIC DISCLOSURES																																																		
Economic Performance																																																		
GRI 3: Material themes 2021	3-3 Management of material issues	Mundotêxtil promotes initiatives and has implemented mea-sures related to the material aspect under analysis and reports them in this table. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this table.	-	-	-																																													
GRI 201: Desempenho económico	201-1 Economic value generated and distributed	See table below.	-	-	-																																													
<table><tr><td></td><td>2020</td><td>2021</td><td>2022</td></tr><tr><td>DIRECT ECONOMIC VALUE GENERATED</td><td>30 856 459 €</td><td>55 123 892 €</td><td>47 609 668 €</td></tr><tr><td>Revenue / Turnover</td><td>30 856 459 €</td><td>55 123 892 €</td><td>47 609 668 €</td></tr><tr><td>DISTRIBUTED ECONOMIC VALUE</td><td>28 698 317 €</td><td>52 892 179 €</td><td>50 887 205 €</td></tr><tr><td>Operating Costs</td><td>19 845 719 €</td><td>41 744 983 €</td><td>39 577 858 €</td></tr><tr><td>Wages & Benefits to Workers</td><td>7 236 634 €</td><td>8 824 992 €</td><td>8 820 625 €</td></tr><tr><td>State Expenditures</td><td>1 341 431 €</td><td>2 024 498 €</td><td>2 041 203 €</td></tr><tr><td>Financial expenses (net)</td><td>234 532 €</td><td>273 968 €</td><td>436 092€</td></tr><tr><td>Donations and Other Community Investments</td><td>40 001 €</td><td>23 738 €</td><td>11 427 €</td></tr><tr><td>Distribution to Shareholders / Investors</td><td>-</td><td>-</td><td>-</td></tr><tr><td>ACCUMULATED ECONOMIC VALUE</td><td>2 158 142 €</td><td>2 231 714 €</td><td>-3 277 537 €</td></tr></table>								2020	2021	2022	DIRECT ECONOMIC VALUE GENERATED	30 856 459 €	55 123 892 €	47 609 668 €	Revenue / Turnover	30 856 459 €	55 123 892 €	47 609 668 €	DISTRIBUTED ECONOMIC VALUE	28 698 317 €	52 892 179 €	50 887 205 €	Operating Costs	19 845 719 €	41 744 983 €	39 577 858 €	Wages & Benefits to Workers	7 236 634 €	8 824 992 €	8 820 625 €	State Expenditures	1 341 431 €	2 024 498 €	2 041 203 €	Financial expenses (net)	234 532 €	273 968 €	436 092€	Donations and Other Community Investments	40 001 €	23 738 €	11 427 €	Distribution to Shareholders / Investors	-	-	-	ACCUMULATED ECONOMIC VALUE	2 158 142 €	2 231 714 €	-3 277 537 €
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(*) It is important to note that the negative value for 2022 was due to the high energy costs felt.																																																		
Anticorruption																																																		
GRI 3: Material themes 2021	3-3 Management of material issues	5.1. Ethics and Integrity Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associa-ted with this aspect and reports them in this Report.	-	-	-																																													

GRI 205: Anti-corruption 2016	205-1 Transactions assessed for corruption risk	5.1.1. Anti-Corruption Policy Within the scope of Mundotêxtil's management risk assessment, the issue of anti-corruption is considered and evaluated, and following this assessment an anti-corruption policy has been developed.	-	-	-				
	205-2 Confirmed cases of corruption and measures taken	5.1. Ethics and Integrity 5.1.1. Anti-Corruption Policy In 2022, no cases of corruption were identified through the mechanisms designed for this purpose (email address created for reporting situations of non-compliance with the provisions of the Code of Ethics).	-	-	-				
GRI 300 – ENVIRONMENTAL DISCLOSURES									
GRI	Content	Location	Omission			Sector Standard Ref. No.			
			Omitted re-quirements	Motive	Explanation				
Materials									
GRI 3: Material themes 2021	3-3 Management of material issues	6.5. Materials Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.	-	-	-				
GRI 301: Materials	301-1 Consumption of raw materials	4.6.1. Supply Chain 6.5. Materials	-	-	-				
Energy									
GRI 3: Material themes 2021	3-3 Management of material issues	6.1. Energy Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.	-	-	-				
GRI 302: Energy	302-1 Energy Consumption within the Organization	See tables below.	-	-	-				
GENERAL POWER CONSUMPTION									
YEAR	PRODUCTION (tp)	TOTAL POWER CONSUMPTION (GJ)	TOTAL ENERGY CONSUMPTION (tep)		SPECIFIC ENERGY CONSUMPTION (kgep/tp)				
2022	4 209,6	129 939	4 275,5		1 015,7				
2021	4 825	165 147	5 385		1 115,9				
2020	3 253	182 994	4 371		1 343,5				
TOTAL ENERGY CONSUMPTION BY SOURCE/TYPE									
Energy Type	2020			2021			2022		
	Energy GJ	Energy tep	Energy %	Energy GJ	Energy tep	Energy %	Energy GJ	Energy tep	Energy %
Electrical energy	30 345,0	1 812,3	22,9%	36 337,6	2 170,2	22,0%	30 938,1	1 847,7	23,8%
Natural gas	57 639,5	1 376,4	43,5%	76 188,3	1 819,4	46,1%	72 776,6	1 737,9	56,0%
Steam	26 279,0	697,4	19,8%	28 291,8	750,8	17,1%	12 478,7	331,2	9,6%
Hot Water	17 545,1	466,5	13,2%	23 360,0	621,0	14,1%	11 267,5	299,6	8,7%
Gas (Butane + Propane)	8,4	0,2	0,0%	19,4	0,5	0,01%	9,6	0,2	0,01%
Petrol	5,9	0,1	0,0%	63,5	1,5	0,04%	104,5	2,5	0,08%
Diesel fuel	745,8	17,8	0,6%	887,9	21,2	0,54%	2 363,6	56,4	1,8%
Thick Fuel Oil	0,0	0,0	0,0%	0,0	0,0	0,0%	0,0	0,0	0,0%
TOTAL	132568,6	4 370,7	100,0%	165 146,7	5 384,6	100,0%	129938,6	4 275,5	100,0%

GRI 302: Energy	302-3 Energy intensity	See table below.	-	-	-			
ENERGY INTENSITY								
YEAR		IE (kgep/euro)	ANNUAL EI (kgep)	ANNUAL EI (tep)	ANNUAL IE (GJ)			
2022		0,605	4 275 507,1	4 275,5	129 938,6			
2021		0,426	5 384 571,6	5 384,6	165 146,7			
2020		0,423	4 370 727,1	4 370,7	132 568,6			
Water & Wastewater								
GRI 3: Material themes 2021	3-3 Management of material issues	6.3. Water and Wastewater Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.			-	-	-	
GRI 303: Water and Wastewater 2018	303-1 Interactions with water as a shared resource	6.3. Water and Effluents.			-	-	-	
	303-2 Management of impacts related to water discharge	6.3. Water and Effluents.			-	-	-	
	303-3 Water abstraction	6.3. Water and Effluents.			-	-	-	
Emissions								
GRI 3: Material themes 2021	3-3 Management of material issues	6.2. Emissions Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.			-	-	-	
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	See table below. All direct emission gases (scope 1) were included in the GHG calculation, most of which are natural gas flare gases: O2, CO2, CO, NOx, VOCT. For more information on the calculation of emissions, see the Annual Monitoring and Progress Report of the Energy Consumption Rationalization Agreement 2022.			-	-	-	
	305-2 Indirect GHG emissions (Scope 2)	All indirect emissions gases (scope 2) were included in the GHG calculation.			-	-	-	
	305-4 Intensidade Carbónica	See table below.			-	-	-	
	305-5 Redução das emissões GEE	6.2. Emissions.			-	-	-	
EMISSIONS								
		Pcs.	2020 GHG ton CO ₂ e					
			2020	2021	2022			
Scope 1: Direct emissions								
Gás Natural	m³(n)		3 693,9691	4 882,7125	4 664,0692			
Gás (Butano + Propano)	t		0,5276	1,2250	0,6021			
Gasolina	litros		0,4055	4,400	7,2354			
Gasóleo	litros		55,1771	65,6908	174,8724			
TOTAL Scope 1			3 750,0793	4 954,0283	4 846,7791			
Scope 2: Indirect emissions								
Energia Elétrica	KWh		3 961,7127	4 744,0799	4 039,1415			
Vapor	t		1 899,9749	2 045,4972	902,2068			
Água Quente	t		1 268,5079	1 688,9262	814,6371			
TOTAL Scope 2			7 130,1955	8 478,5033	5 755,9854			
TOTAL			10 880,2748	13 432,5316	10 602,7645			

Carbon Intensity				Emission Sources	Gases Included in Monitoring
YEAR	Total Energy Consumption	GEE	Carbon Intensity	JET'S	O2
	tep	Ton. CO ₂ e	Kg CO ₂ e/tep	Ironers	CO2
2022	4 275,5	10 602,7645	2 479,9	Dryers	COV's
2021	5 384,6	13 432,5316	2 494,6	Spurs	CO
2020	4 370,7	10 880,2748	2 489,4	Tumblers	Nox

The following table shows, for the various energy sources, the Lower Calorific Value in GJ/unit, the reduction coefficient to the equivalent ton of oil and emission factors, considered in the calculations presented.

	Units	GJ/ Unit	tep/ Unit	FE
Electrical energy	kWh	0,0036	0,000215	0,470 kg CO2e/kWh
Natural gas	t	45,1	1,077	2 683,7 kg CO2e/kWh
Steam	t	2,4047	0,0638	2 724,4 kg CO2e/kWh
Hot Water	t	0,17	0,0044	2 724,4 kg CO2e/kWh
Propane	t	47,3	1,13	2 637,7 kg CO2e/kWh
Butane Gas	t	47,3	1,13	2 637,7 kg CO2e/kWh
Diesel fuel	t	43,3	1,034	3 098,2 kg CO2e/kWh
Petrol	t	45	1,075	2 897,3 kg CO2e/kWh

GRI 306: Waste						
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	6.6. Waste.	-	-	-	
	306-2 Management of significant impacts associated with waste	6.6. Waste.	-	-	-	
	306-3 Waste Generated	6.6. Waste. See table below.	-	-	-	

TOTAL ENERGY CONSUMPTION BY SOURCE/TYPE			
WASTE	2020	2021	2022
Total waste generated (t)	575,88	765,62	576,29
Non-Hazardous Waste (t)			
Intended for Enhancement	428,69	613,45	497,85
Intended for Disposal	145,42	150,38	76,18
Hazardous Waste (t)			
Intended for Enhancement	1,75	1,03	0,05
Intended for Disposal	0,00813	0,755	2,21
Valuation Rate	77,62%	80,26%	86,41%

GRI 400 SOCIAL DISCLOSURES					
GRI	Content	Location	Omission		
			Omitted re-quirements	Motive	Explanation
					Sector Standard Ref. No.

GRI 401: Emprego					
GRI401: Employment 2016	401-1 New hires and turnover	See table below.	-	-	-

Age group	2020		2021		2022	
	M	F	M	F	M	F
Total Employees						
< 30 anos	47	19	55	36	56	33
30-50 anos	140	138	127	138	130	137
> 50 anos	120	78	132	94	127	90
New hires						
< 30 anos	1	3	10	22	15	10
30-50 anos	0	3	8	19	5	1
> 50 anos	1	0	1	3	0	1
New hire rate						
< 30 anos	2%	16%	18%	61%	27%	30%
30-50 anos	0%	2%	6%	14%	4%	1%
> 50 anos	1%	0%	1%	3%	0%	1%
Departure of workers						
< 30 anos	4	0	3	5	10	9
30-50 anos	2	3	7	4	6	5
> 50 anos	5	6	4	1	4	6
Churn rate						
< 30 anos	0,4%	0,3%	1,1%	2,2%	10,9%	11,2%
30-50 anos	0,2%	0,5%	1,3%	2,0%	4,8%	2,9%
> 50 anos	0,5%	0,5%	0,4%	0,3%	1,7%	3,3%

GRI401: Employment 2016	Maternity/paternity leave	See table below.	-	-	-	
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	2020		2021		2022	
	M	F	M	F	M	F
Total number of workers entitled to parental leave (no.)	307	235	314	268	313	260
Total number of workers on parental leave (no.)	9	3	7	8	7	2
Total number of workers returning to work after completion of parental leave (No.)	8	3	7	7	5	1
Total number of employees who returned to work after completion of parental leave and who remain with the Company after 12 months of having returned (no.)	8	3	14	1	5	4
RTP (%)	89%	100%	100%	100%	71%	50%
Retention rate (%)	100%	100%	93%	100%	100%	96%

Occupational Health and Safety					
GRI 3: Material themes 2021	3-3 Management of material issues	7.2.1. Health and Safety Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.	-	-	-

GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Mundotêxtil has not implemented any certified occupational health and safety management system, however, it guarantees the implementation of all measures and procedures that guarantee the health and safety of workers in the development of their work.	-	-	-
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	For Incident Management, Mundotêxtil has a methodology that defines the procedures to be adopted in the event of incidents and the respective investigation and analysis of causes. A methodology is defined with criteria for the identification of hazards, risk assessment and implementation of control measures, applicable to all activities carried out by Mundotêxtil. At the beginning of 2022, this process was carried out in collaboration with the Senior Occupational Health and Safety Technician of Mundotêxtil and Quercia (a company providing Occupational Medicine and OSH services) and reviewed annually, taking into account aspects of the activity developed, equipment used, analysis of the history of accident indicators and audit data. As of mid-2022, this process was only being prepared by Mundotêxtil's Senior OSH Technicians. Risks are assessed according to the probability of occurrence and the expected severity, and a certain level of risk and priority of intervention are assigned.	-	-	-
	403-3 Occupational health services	7.2.1. Health and Safety	-	-	-
	403-4 Participation, consultation and communication to workers of occupational health and safety aspects	7.2.1. Health and Safety	-	-	-
	403-5 Training of workers in occupational health and safety	7.2.1. Health and Safety	-	-	-
	403-6 Promotion of occupational health	7.2.1. Health and Safety	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	The main risks to which Mundotêxtil workers are exposed are related to the handling of chemical products, which is mainly carried out automatically. However, in order to ensure the safety of workers, those handling the chemicals have adequate PPE and training and MSDS available.	-	-	-
	403-9 Accidents at work	See table below. As a way to prevent the occurrence of accidents, Mundotêxtil annually analyzes the history of accidents, their causes and the main activities where they occur. In 2022, it was concluded that the main types of accidents at work were due to overexertion/inadequate postures/repetitive movements (12) and falls at the same level (3). In order to eliminate these hazards and mitigate risks, a training and awareness action on occupational accidents was developed and planned, contemplating their higher incidence by age group, gender, types of injury, among others, and a special emphasis on the presentation of prevention measures in relation to the tasks where more accidents at work occur.	-	-	-

	2020	2021	2022
Absolute number of employees			
Deaths resulting from accidents at work	0	0	0
Serious accidents at work (excluding fatalities)	0	0	0
Accidents at work	18	31	24
Hours worked	781 848	971 443	1 065 326
Ratio to employees			
Deaths resulting from accidents at work	0	0	0
Serious accidents at work (excluding fatalities)	0	0	0
Accidents at work	4,60	6,38	4,51
Value of hours worked that served as the basis for the calculation of the ratios presented	200 000	200 000	200 000

Education and Training						
GRI 3: Material themes 2021	3-3 Management of material issues	7.1.4. Skills Development and Training Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report.	-	-	-	
GRI 404: Education and Training 2016	404-1 Average hours of training per year per employee	7.1.4. Skills Development and Training In 2022, the total number of training hours was 2724.5, totaling 4.75 hours per worker.	-	-	-	
Average training hours per employee						
Total number of hours of training given to all employees		2 724,5	4,75			
Total number of employees		573				
Average hours of training by professional category						
Total number of hours of training given to each professional category		534	0,93			
Senior management and technicians		75				
Middle management and direct managers		221				
Other workers		238				
Total number of employees by category		573				
Senior management and technicians		23				
Middle management and direct managers		93				
Other workers		457				
Average hours of training by women						
Total number of hours of training given to female workers		1 692,5	6,51			
Total number of female employees		260				
Average hours of training per man						
Total number of hours of training given to male workers		1 032	30			
Total number of male employees		313				
GRI 404: Education and Training 2016	404-2 Programmes for the improvement of workers' skills and assistance for career transition	7.1.4. Skills Development and Training	-	-	-	
Non-discrimination						
GRI 3: Material themes 2021	3-3 Management of material issues	7.1. Workers Mundotêxtil promotes initiatives and has implemented measures related to the material aspect under analysis and reports them in this Report. Mundotêxtil measures and monitors the indicators associated with this aspect and reports them in this Report (this table).	-	-	-	
GRI 406: Non-discrimination 2016	406-1 Total number of discrimination cases and corrective actions taken	In 2022, no cases of discrimination were identified through the mechanisms designed for this purpose (email address created for reporting situations of non-compliance with the provisions of the Code of Ethics).	-	-	-	
GRI 413: Local Communities						
GRI 413: Local Communities 2016	Operations with implemented programs of local community engagement, impact assessment and local development	7.2.4. Community/Society and Innovation 7.2.5. Social Balance 7.3. It's Part of Us	-	-	-	

CONTACT

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