

CONFETIL

SUSTAINABILITY REPORT 2025

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MESSAGE FROM THE BOARD

For more than 50 years, Confetil has been part of the Portuguese apparel industry. Throughout this journey, we have grown based on the dedication of our people and the values that define a family-owned business: responsibility, trust, close relationships, and a long-term vision.

Today, these same values lead us to view sustainability as an essential part of how we manage and develop our business

It is with pride that we present Confetil's first Sustainability Report.

This report marks an important milestone in the company's history. More than a reporting exercise, it reflects our commitment to better understanding the impact of our activities, setting clear objectives, and communicating transparently with all those who place their trust in us.

As a family-owned company, we have always believed that decisions should be made with the future in mind. Sustainability is a natural extension of that mindset. It means managing resources responsibly, valuing people, respecting the environment, and ensuring that the company's growth contributes positively to future generations.

The apparel industry is facing significant challenges, but also opportunities to innovate and evolve. At Confetil, we are committed to progressively integrating environmental, social, and governance considerations into the way we operate, strengthening the company's competitiveness while creating long-term value for customers, employees, partners, and the wider community.

This first report marks the beginning of a new chapter. We recognise that there is still much to be done, but we approach this challenge with determination and a strong sense of responsibility. More than presenting results, we aim to demonstrate our commitment to continuous improvement and to building an increasingly sustainable business.

We would like to thank all our employees, customers, suppliers, and partners who have contributed to Confetil's journey over the past five decades. Their trust, commitment, and support have been fundamental in building a resilient company that is prepared for the future.

Remaining true to the values that have guided us until now, we will continue working to create a positive legacy for future generations.

Board of Directors

2025 HIGHLIGHTS



ENVIRONMENT

357 tCO2e Scope 1 emissions	0 tCO2e Scope 2 emissions	2,211 MWh Energy consumption
100% Electricity consumption from renewable sources	161 ton Waste generated	99,9% Waste sent for recovery (reuse)
98% Materials used are biobased	28% Organic cotton certified under sustainability standards (e.g., GOTS, OCS)	



SOCIAL

249 Women	1,586 hours Employee training	92% Employees with permanent contract
74 Men	3.6 Rate of recordable work-related accidents	9% Turnover rate



GOVERNANCE

0 Violations of anti-corruption and anti-bribery laws	0 Incidents of non-compliance with the Code of Ethics and Conduct (including human rights)
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Certifications

STeP by OEKO-TEX®
GOTS
RCS

Recognitions in 2025

COTEC Innovative Status

Partnerships for innovation



ABOUT THE REPORT

The 2025 Sustainability Report of Confetil, S.A. (hereinafter referred to as “Confetil”), covering the period from 1 January to 31 December 2025, reflects the company’s approach to managing its material impacts, risks, and opportunities regarding environmental, social, and governance (ESG) matters, throughout its value chain. This includes the policies and action plans implemented, as well as the targets established and the performance indicators monitored.

This Sustainability Report reflects Confetil’s initial alignment with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the Voluntary European Sustainability Reporting Standard for Non-Listed SMEs (VSME), as published in December 2024. Confetil demonstrates its commitment to the United Nations Sustainable Development Goals (SDGs) through its internal practices and the partnerships it fosters, which are also reflected throughout this report.

By undertaking, for the first time, a sustainability reporting process in accordance with internationally recognised sustainability frameworks, the company seeks to reinforce its commitment to transparent, consistent, and responsible communication with its stakeholders, while also strengthening its positioning and competitiveness within the sector.

In the coming years, Confetil is committed to continuously enhancing the quality of its sustainability reporting and further strengthening its alignment with the VSME.

Basis for preparation 2025	
VSME Modules	Basic and Comprehensive
Legal form	Public Limited Company
NACE Code	14102
Turnover	€56,049,889
Number of employees (annual average)	328
Country of operation	Portugal
Geographical location of owned, leased or managed operational sites	Rua de Santo Condestável, 320 Maia (Latitude: 41.226623 Longitude: -8.604580)
	Rua da Gandra 55, Ucha Barcelos (Latitude: 41.533491 Longitude: -8.684484)
Certifications	STeP by OEKOTEX; GOTS; RCS (further information in 2.2 Certifications)



1. CONFETIL

Confetil is a family-owned company with more than five decades of experience in the fashion textile sector, headquartered in northern Portugal. Since its establishment, the company has progressively evolved by blending its longstanding expertise with a forward-thinking approach to textile and clothing production.

A strong focus on research and development underpins Confetil's operations, driven by continuous innovation and close collaboration between its internal teams and clients. This approach enables the company to anticipate market developments and remain at the forefront of advancements in textile engineering and clothing manufacturing.

Confetil operates through a vertically integrated production model tailored to meet client needs, encompassing all stages of the manufacturing process, from raw material sourcing to finished product delivery.

This end-to-end structure ensures rigorous quality control at every phase, from fabric development to final production, while enhancing efficiency, flexibility, and reliability.

Leveraging this integrated approach, Confetil building lasting relationships with internationally recognised brands by developing and producing high-quality ready-made apparel worldwide, combining strong technical expertise, innovation, and design capabilities.



1.1. OUR VALUE CREATION APPROACH

Confetil is guided by a clear commitment to delivering a positive impact on the textile industry, with quality, precision, integrity, and transparency embedded across its operations and stakeholder relationships.

Supported by a strong focus on innovation, the company continuously develops advanced technologies, materials, and processes, contributing to industry progress. At the same time, sustainability is integrated as a fundamental pillar, shaping actions to minimise environmental impact, promote responsible practices, and support balanced economic growth, reinforcing Confetil's role within a more responsible textile sector.



MISSION

Confetil aims to develop textiles of excellence, meeting market expectations, using solid processes, anchored in experience, innovation and involvement of all stakeholders.

Acts responsibly, respecting the environment, people and society, contributing positively to the local community.



VISION

To be a reference in the textile industry by providing a vertical service of excellence, transforming any idea into a high-quality fashion product.



VALUES

INNOVATION

Continuously using new technologies and materials to create better products and services that meet client's challenging and evolving needs.

SUSTAINABILITY

Focusing on environmentally friendly and socially responsible practices to minimize the impact of textile production and reduce waste.

CREATIVITY

Offering differentiated and responsible materials and products and developing new and innovative ways to produce textiles.

TRANSPARENCY

Being clear, open and honest about operations and supply chains, including labour practices and environmental impacts.

CUSTOMER FOCUS

Putting clients at the heart of the business strategy, listening to their requirements and expectations and, delivering high-quality products and service levels with maximum efficiency and effectiveness.

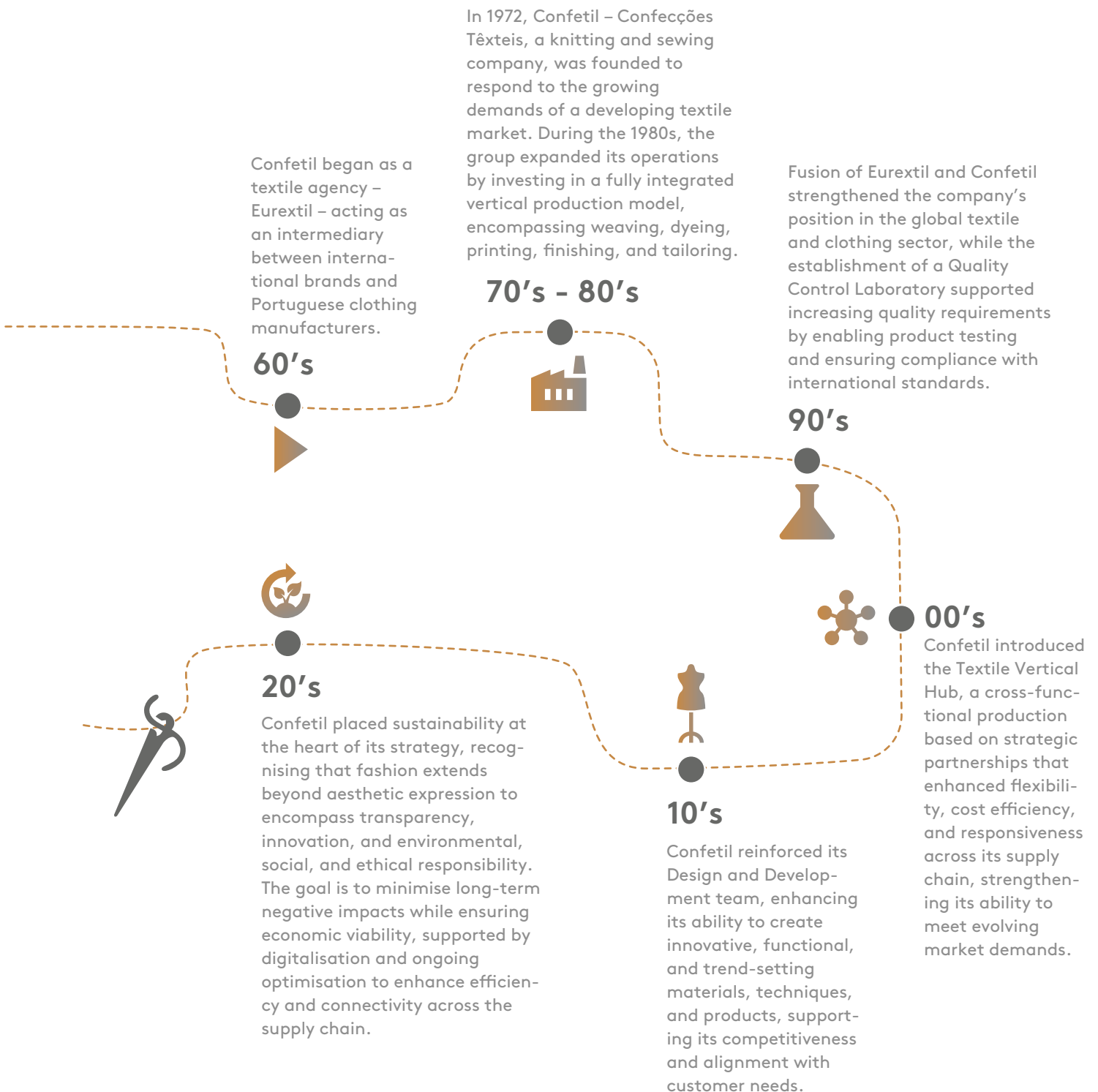
LOYALTY

The company prides itself in a culture of loyalty and integrity throughout employees, clients and suppliers, developing and maintaining long-term, straight and open relations of cooperation as key factors when it comes to building a sustainable future for the business.

EMPOWERMENT & ETHICS

Being clear, open and honest about operations and supply chains, including labour practices and environmental impacts.

1.2. MOMENTS IN HISTORY



CONFETIL

mind
made by



1.3. CONFETIL'S BUSINESS MODE

Confetil operates a fully integrated private label business model, dedicated to the development and production of high-quality garments for the premium and luxury fashion segments, serving international markets across Europe, the United States, and Asia.

The company produces a wide variety of products - including t-shirts, polos, sweat-shirts, hoodies, pants, shorts, dresses, skirts, athletic wear and swimwear - using diverse raw materials such as cotton, wool, linen, viscose, lyocell, polyamide, polyester or blends of these materials, allowing for multiple compositions, structures, and finishes tailored to evolving client demands.

At the core of Confetil's operations lies its Textile Vertical Hub, a cross-functional production model structured around long-term strategic partnerships. This model enables the integration of all stages of the value chain - from raw material sourcing and design development to manufacturing and logistics - ensuring efficiency, flexibility and transparency. By collaborating with a selected network of specialised partners, Confetil is able to deliver a vertically coordinated service while maintaining high standards of quality and performance.

Supporting this structure is a multidisciplinary in-house team responsible for design and product development, pattern making, sourcing, client management, and sustainability. This internal expertise, combined with a strong partner network, enables Confetil to efficiently translate concepts into final products, strengthening its innovation capacity, speed-to-market, and ability to deliver tailored solutions aligned with customer expectations.

CONFETIL'S PRODUCTION PROCESS COMPRISES SEVERAL DISTINCT STAGES:



KNITTING OR WEAVING

The company works with leading Portuguese partners to produce knitted and woven fabrics, offering a wide range of techniques and structures adapted to different product needs.



YARN SOURCING AND FABRIC DEVELOPMENT

Confetil's in-house team sources and develops fabrics with local suppliers, focusing on versatility, quality, and sustainability, supported by strategic partnerships that provide innovative and low-impact materials.



DYEING AND FINISHING

Through specialised and internal know-how and long-term partnerships with local suppliers, Confetil applies advanced dyeing and finishing techniques that enhance fabric performance, appearance, sustainability and value.



PRINTING AND EMBROIDERY

A broad range of digital and traditional printing and embroidery techniques enables the creation of distinctive and high-quality garments aligned with client design requirements.



GARMENT SEWING

Skilled teams and state-of-the-art equipment ensure high-quality garment assembly, with initial productions carried out internally to guarantee precision and finishing standards. All staff and subcontractors are trained to meet client-specific requirements.



FABRIC CUTTING

Fabric cutting is performed in-house using advanced technology and automated systems, ensuring precision, efficiency and minimal waste.



INSPECTION CONTROL

Continuous inspection is carried out at all production stages to identify and correct defects, ensuring compliance with required specifications.



QUALITY SERVICES

An in-house laboratory ensures strict quality control by testing fabrics and garments throughout development and production to meet high durability and performance standards.



LOGISTICS

Confetil manages fabric storage and global garment distribution from its warehouse, ensuring accurate and timely delivery to international markets.



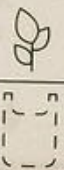
100% PLASTIC



FREE

CAPSULE

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2. SUSTAINABILITY MANAGEMENT

Sustainability is a fundamental pillar of Confetil's business model, underpinning its commitment to minimising environmental and social impacts while ensuring long-term economic resilience.

This commitment is formally articulated in the company's **Sustainability and Quality Management Policy**, which is systematically communicated to all stakeholders through on-site communication and digital platforms, including the corporate website. The policy is structured around four core pillars that guide Confetil's strategic direction and operational practices:

ENVIRONMENTAL PROTECTION

Implement sustainable and circular practices to reduce environmental impact, waste and resource use, lower carbon emissions and apply "green chemistry" principles for responsible chemical management across the supply chain.

CUSTOMER SATISFACTION

Deliver high-quality, innovative products and services to meet customer needs and build customer loyalty, integrating creative solutions and continuously adapting through new technologies, processes, and materials.

SOCIAL RESPONSIBILITY

Foster a positive, safe, respectful, and inclusive organizational culture that supports employee development and community well-being, in alignment with the company's code of ethics and conduct.

GOVERNANCE

Align the value chain with customer requirements through risk management and due diligence, while fostering transparent and sustainable operations and partnerships with stakeholders. Ensure responsible business conduct by operating with integrity and complying with legal and regulatory requirements, while continuously improving policies and processes.

The company aligns its activities with the United Nations Sustainable Development Goals (SDGs), actively contributing to the fulfilment of the following SDGs:



DECENT WORK AND ECONOMIC GROWTH

Promote decent working conditions, fair wages to all employees, respect for labour rights and equal opportunities, contributing to sustainable economic growth through job creation and investment in the local community.

323 employees

92% employees with permanent contract



RESPONSIBLE CONSUMPTION AND PRODUCTION

Promote sustainable production practices through waste reduction, efficient resource use, responsible chemical management, and circular solutions, enhancing resource valorisation, increasing the use of lower-impact materials and supporting the development of circular products.

99,9% waste sent for recovery

-15% waste generated in 2025 vs 2024



CLIMATE ACTION

Reduce the carbon footprint through the use of 100% renewable electricity, improved energy efficiency and the progressive reduction of greenhouse gas emissions across production

-6% of Scope 1 and 2 emissions in 2025 vs. 2024

100% of electricity sourced from renewable energy



PARTNERSHIPS FOR THE GOALS

Foster long-term collaboration with clients, suppliers, and other stakeholders, including public and civil society actors, to advance sustainable practices and drive collective impact.

Partnerships for innovation in the textile sector with be@t – bioeconomy at textiles and TexMater projects

Suppliers and subcontractors are subject to ongoing assessment under rigorous quality and environmental management criteria, maintaining alignment with Confetil's standards and expectations. In parallel, the Sustainability Team supports the implementation of client-specific sustainability requirements and remains fully accessible for external audits, reinforcing transparency and accountability. Complementing this approach, the Sourcing Team ensures that all suppliers meet the company's and clients' quality and sustainability standards.

2.1. TEXTILE SUSTAINABILITY CERTIFICATIONS

Confetil's processes are supported by recognised certifications that demonstrate the company's commitment to environmental stewardship, social responsibility and transparent value-chain management. These certifications reinforce Confetil's ambition to ensure that its products reflect responsible practices, both in the materials used and, in the methods, applied throughout production.





STeP

**STeP by OEKO-TEX®****Score:** Level 3**Issuer:** Citeve**Date of certification:** Since 2019 with recertification in 2022 and 2025

The STeP by OEKO-TEX® (Sustainable Textile Production) certification is a comprehensive framework for textile and leather production facilities, demonstrating compliance with high standards in environmental management and protection, chemical management, occupational health and safety, social responsibility, and quality management. By assessing production conditions across these key dimensions, the certification ensures environmentally sound, safe and socially responsible processes and working conditions over the long term. It also contributes to improving operational efficiency and competitiveness, while supporting transparent communication with brands, partners, and end consumers.



CU 10000516

GOTS**Issuer:** Control Union**Date of certification:** Since 2020 with annual recertification

The Global Organic Textile Standard (GOTS) is the leading international certification for textiles made from organic fibres, integrating stringent environmental and social criteria across the entire value chain, from raw material sourcing to final product labelling. Recognised as one of the most rigorous standards for organic textiles, it ensures that products are not only made from certified organic fibres but also manufactured in accordance with strict requirements on chemical management, environmental performance and social compliance, including the protection of workers' rights. In doing so, GOTS promotes traceability throughout the supply chain, providing a credible assurance to consumers that products are genuinely organic and produced in a responsible and sustainable manner.



CU 10000516



CU 10000516

RCS**Issuer:** Control Union**Date of certification:** Since 2020 with annual recertification

Confetil is a RCS certified company.
Only the products which are covered
by a valid transaction certificate are RCS certified.

The Recycled Claim Standard (RCS), developed by Textile Exchange, is a voluntary international certification that verifies the presence of recycled materials in textile products by verifying recycled content (whether pre- or post-consumer) and the chain of custody from raw material origin to the final product. The standard emphasises transparency and traceability, requiring transaction certificates to support the accurate declaration of recycled inputs, thereby providing reliable assurance of recycled content to clients.

2.2. DRIVING SUSTAINABILITY THROUGH INNOVATION

Innovation and technological advancement play a central role in Confetil's approach to sustainability and long-term competitiveness. In line with this strategic focus, the company actively engages in research and development (R&D) initiatives, leveraging advanced technologies to drive more efficient, sustainable, and high-value solutions within the textile and apparel sector.

In parallel, Confetil strengthens its capabilities through active participation in collaborative and sector-wide initiatives with institutions from the scientific and technological ecosystem. As a member of the "Cluster Têxtil", the company contributes to the development and competitiveness of the industry, while fostering partnerships that support knowledge sharing and innovation. Confetil maintains ongoing collaboration with leading institutions, including CITEVE ("Centro Tecnológico das Indústrias Têxtil e do Vestuário") and the University of Minho, working jointly on research projects, technological advancement and the development of sustainable solutions.

This integrated focus on innovation and collaboration strengthens Confetil's commitment to sustainability and technological advancement, supporting the development of more efficient and responsible solutions aligned with current environmental and industrial challenges.

2025 INNOVATION PROJECTS



TEXMATER PROJECT

The TexMater project aims to reduce the environmental footprint of textile production through the development of innovative sustainable fibres and bio-based finishing solutions, supporting the gradual replacement of higher-impact materials and processes.



BE@T - BIOECONOMY AT TEXTILES PROJECT

Confetil is a partner in the be@t project, a collaborative initiative, within the national textile sector, focused on accelerating the sector's transition towards a sustainable bioeconomy. The project promotes the integration of bio-based raw materials, the optimisation of production processes and the reinforcement of circularity across the textile value chain.

CONFETIL CONFETIL 4.0

Through the Confetil 4.0 project, the company is advancing the digitalisation of its production processes by strengthening its technological capabilities and implementing advanced Industry 4.0 solutions, thereby enhancing operational efficiency, traceability, and overall competitiveness. The project supports the digital transition through the adoption of advanced technologies, including artificial intelligence, robotics, sensors, augmented reality, and integrated data management solutions, enabling more connected, efficient, and data-driven operations.

Confetil's commitment to innovation and sustainability has been recognised by several external organisations.

MODAPORTUGAL

In 2023, Confetil received the ModaPortugal Business Excellence Award (Sustainability Category), highlighting its leadership in the adoption of responsible practices and the integration of sustainability principles within the fashion sector.

inovadora'25

In 2025, the company was awarded the COTEC Innovative Status, a distinction granted to national companies demonstrating outstanding performance in innovation, financial strength, and management excellence.



2.3. DOUBLE MATERIALITY

In 2025, Confetil conducted its first double materiality assessment, aimed at identifying and prioritising the sustainability topics most relevant to its activities and stakeholders. This exercise aims to inform and support the definition of the company's sustainability strategy, while enhancing alignment with current regulatory requirements and providing a structured basis for sustainability reporting.

The assessment was informed by the methodology outlined in the CSRD, considering two complementary perspectives: the impact materiality, which evaluates Confetil's impacts on environmental and social matters across its own operations and value chain; and the financial materiality, which examines how sustainability topics may influence the company's financial performance, results, and long-term value creation.

As an initial exercise, the assessment was tailored to Confetil's specific context and level of ESG maturity, ensuring a proportionate approach. A total of 20 sustainability topics relevant to the textile and apparel sector were considered for evaluation, with a particular focus on the confection segment. The objective was to establish a robust yet practical foundation to support strategy development, sustainability reporting and the progressive integration of ESG considerations into business processes.

The assessment followed a structured and iterative approach, organised across four main phases: **understanding, identification, evaluation and determination**.

1 - Understanding

The initial understanding phase focused on analysing Confetil's business model and identifying the key environmental, social and governance aspects associated with its operations and value chain, including business relationships. This phase also considered the most relevant sustainability topics at sector level, drawing on peer company practices and recognised industry frameworks to ensure a comprehensive and informed assessment.

2 - Identification

Following this contextual analysis, the potentially material sustainability topics to be assessed within the materiality process were identified.

3 - Evaluation

As part of the impact materiality assessment, a stakeholder engagement exercise was conducted involving Confetil's key stakeholders - namely clients, suppliers and employees, including workers' representatives - to gather insights on their perception of the impacts of the company's activities and value chain across the various ESG topics, thereby incorporating their perspectives into the materiality process.

Each potentially material topic was subsequently assessed from both an impact and a financial perspective by ten internal experts across the relevant areas, through a dedicated focus group session. The evaluation considered either the significance of Confetil's impact on each topic (impact materiality) or the potential effects of the topic on the company's financial performance (financial materiality), using a scoring scale from 1 (insignificant) to 5 (extremely significant).

Following the consolidation of stakeholder input with the internal expert assessment, the final materiality scores were determined for each topic.

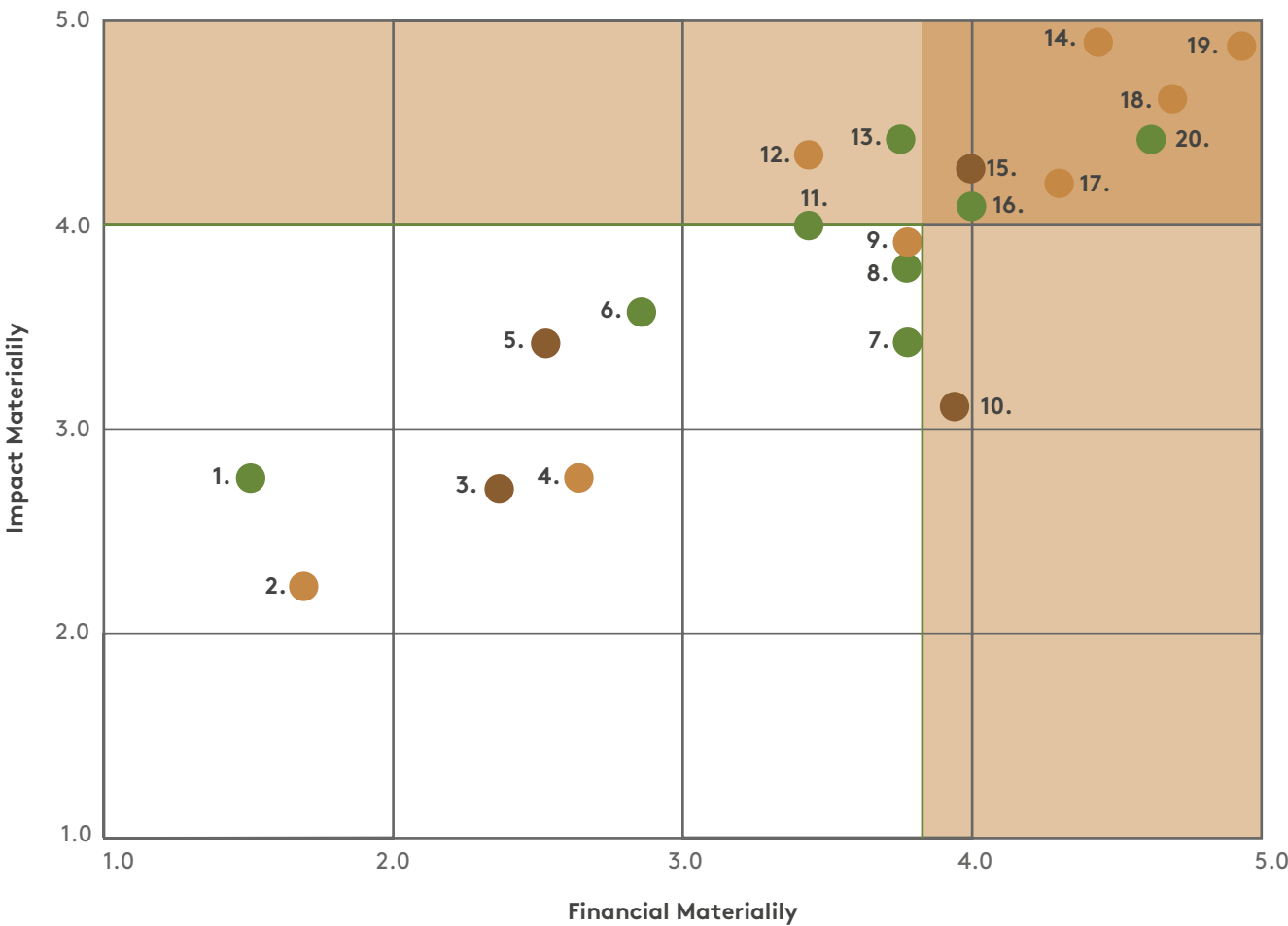
4 - Determination

To determine material topics, Confetil established quantitative thresholds of 4.0 for impact materiality and 3.9 for financial materiality, with topics meeting or exceeding these thresholds in either dimension being classified as material.

Following this initial screening, a comparative exercise was conducted between Confetil's preliminary results and the sustainability topics identified as most relevant for the sector during the understanding phase. This step enabled the identification of potential gaps, leading to targeted calibrations by internal specialists to ensure alignment with the company's operating context and sector-specific realities.

As a result, Confetil identified a total of 11 material sustainability topics - comprising 4 Environment, 5 Social and 2 Governance themes -, which will serve as the foundation for defining its sustainability priorities and guide the development of future targets, action plans, policies, monitoring mechanisms and sustainability disclosures.

MATERIALITY MATRIX



1. Microplastics

2. Responsible marketing

3. Risk management

4. Community engagement

5. Digital transformation and innovation

6. Water and wastewater

7. Climate change adaptation

8. Biodiversity

9. Customer privacy and satisfaction

10. Ethics, transparency and compliance
11. Chemicals management

12. Diversity, equity and inclusion

13. Materials, waste and circular
Economy management

14. Product management and quality

15. Supply chain management

16. Climate change mitigation

17. Training and skills development

18. Working conditions

19. Human rights

20. Energy

MATERIAL TOPICS

Environment

Climate change mitigation	Reduction of the harmful impact of the company's activities on the climate, resulting from greenhouse gas emissions, through the implementation of more sustainable strategies and practices, such as the use of recycled and/or organic materials.
Energy	Reduction of the intensive energy consumption arising from the company's production and transportation activities, through measures such as increased energy efficiency, reduced consumption of energy from fossil sources, and the use of renewable energy.
Materials, waste and circular economy management	Mitigation of the impacts of the company's activities associated with high consumption of materials and products, including virgin raw materials, and with the generation and insufficient valorisation of waste, through measures that promote circularity and waste reduction, such as improved efficiency of production processes, reuse, and recycling.
Chemicals management	Management and mitigation of environmental impacts caused by the use of chemical substances in products and manufacturing processes, and consequently by their disposal when valorisation is not possible.

Governance

Ethics, transparency and compliance	Ethical and transparent management of the business in compliance with applicable legislation and standards, promoting integrity in decision-making and adherence to ethical values by employees, clients and partners.
Supply chain management	Responsible management of the supply chain through the implementation of procurement practices that incorporate environmental and social criteria, including human rights considerations, ensuring responsible sourcing of materials and resources and the promotion of fair labour practices throughout the supply chain.

Social

Working conditions	Promotion of a healthy, equitable, and respectful working environment that safeguards human dignity, ensuring compliance with labour rights, the provision of appropriate benefits, occupational safety, physical and psychological health and well-being of employees, and the creation of professional development opportunities, in alignment with applicable legal and ethical principles.
Diversity, equality and inclusion	Promotion of diversity and the inclusion of all employees, ensuring equal opportunities, preventing discrimination, and fostering an inclusive culture across all activities, operations, and decision-making processes.
Training and skills development	Promotion of employees' individual and professional growth through the implementation of training and development programmes that strengthen technical skills, enable the acquisition of new knowledge, and support career progression, aligning human resources development with operational requirements.
Human rights	Promotion of respect for and protection of human rights within the organization and throughout the company's business relationships along its value chain (e.g., with suppliers).
Product management and quality	Reduction of risks associated with product safety, performance, and compliance throughout the product life cycle. The application of rigorous practices ensures that products do not pose risks to users, promote trust, and comply with standards of quality and social responsibility.



3. MITIGATING ENVIRONMENTAL IMPACT

As a company operating within the textile and apparel sector, characterised by significant consumption of resources, Confetil recognises the critical importance of actively managing the environmental impacts associated with its activities and business relationships.

In line with its Sustainability and Quality Management Policy (further information in **2. Sustainability management**), the company adopts an environmental approach centred on climate action, resource efficiency, and the responsible management of materials, waste and chemicals, while actively promoting circular practices and innovative solutions across its processes. Through these strategic priorities, Confetil seeks to minimise long-term environmental impacts, reduce its carbon footprint, optimise the use of natural resources and support a more sustainable and resilient operating model.



3.1. CLIMATE CHANGE

Climate change mitigation is a key environmental priority for Confetil, reflecting the company's commitment to reducing greenhouse gas (GHG) emissions associated with its operations. The company focuses on improving energy efficiency, increasing the share of renewable energy sources and progressively reducing emissions arising from fuel consumption and energy use.

Confetil monitors scope 1 and scope 2 GHG emissions on an annual basis, covering its facilities in Maia and its operational unit in Barcelos, which was inaugurated in 2023 and is dedicated to garment manufacturing and packaging. In parallel, the company is developing internal mechanisms to enable the monitoring of its significant scope 3 emissions categories, with the goal of integrating these into future sustainability reporting cycles.

GHG emissions	2023	2024	2025	Variation to 2024
Scope 1 GHG emissions (tCO ₂ e)	387	364	357	2%
Stationary combustion emissions (tCO ₂ e)	11	6	4	-40%
Mobile combustion emissions (tCO ₂ e)	376	358	353	-2%
Process and fugitive emissions (tCO ₂ e)	0	0	0	-
Scope 2 GHG emissions (market-based) (tCO ₂ e)	37	15	0	-100%
Total GHG emissions (tCO ₂ e)	424	379	357	-6%

Scope 1 emissions result from the consumption of natural gas for warehouse heating and diesel use within the company's vehicle fleet. While the fleet has undergone progressive electrification since 2023 – reaching a total of **14 fully electric and 2 hybrid vehicles by 2025** – diesel consumption remains operationally relevant, particularly due to mobility requirements associated with external quality control activities and the transportation of goods.

In order to identify potential emission reduction opportunities related to mobility, Confetil assessed the technical feasibility of further transitioning the fleet to lower-impact alternatives, including electric vehicles. However, given the daily travel distances required and the current limitations in vehicle autonomy, a full transition is not yet considered technically viable at this stage.

Scope 2 emissions correspond to indirect emissions from electricity consumption across Confetil's facilities. Since 2020, the Maia industrial unit has been supplied with 100% renewable electricity, effectively eliminating scope 2 emissions associated with electricity use at this site. As a result, during 2023 and part of 2024, these emissions were solely attributable to electricity consumption at the Barcelos facility. From June 2024 onwards, this unit has also transitioned to **100% renewable electricity**, thereby eliminating indirect emissions related to electricity consumption across both facilities.

The evolution of emissions in recent years reflects a sustained downward trend, driven by the combined impact of renewable electricity sourcing, energy efficiency measures and fleet modernisation.

357 tCO₂e
Total emissions in 2025
-6% vs 2024

In line with its commitment to minimising environmental impact, Confetil established a target for 2025 to reduce total Scope 1 and Scope 2 emissions by 25% compared to 2019 levels.

This target has been significantly exceeded, with the company achieving a 53% reduction since 2019, reflecting the effectiveness of measures implemented over the years.

Carbon intensity also decreased by approximately 65% compared to the previous year, reaching 0.0001 tCO₂e/€. This improvement was driven not only by lower Scope 1 and 2 emissions, but also by a significant increase in revenue during the year, reflecting greater production of higher value-added components in line with Confetil's strategy.



3.2. ENERGY

Energy management is a core component of Confetil's environmental approach, encompassing initiatives to enhance energy efficiency and adopt lower-carbon solutions, such as renewable electricity, across its operations. The company implements **systematic monitoring of energy consumption** on a monthly basis, across each production sector and, where relevant, at equipment level, enabling the identification of inefficiencies and the implementation of targeted performance improvement actions.

In 2025, Confetil recorded a **total energy consumption of 2,211 MWh**, in line with the previous year. Fossil fuels accounted for 60% of total consumption, with diesel (1,314 MWh) representing the primary energy source across Confetil's operations, while the remaining 40% was sourced from renewable energy.

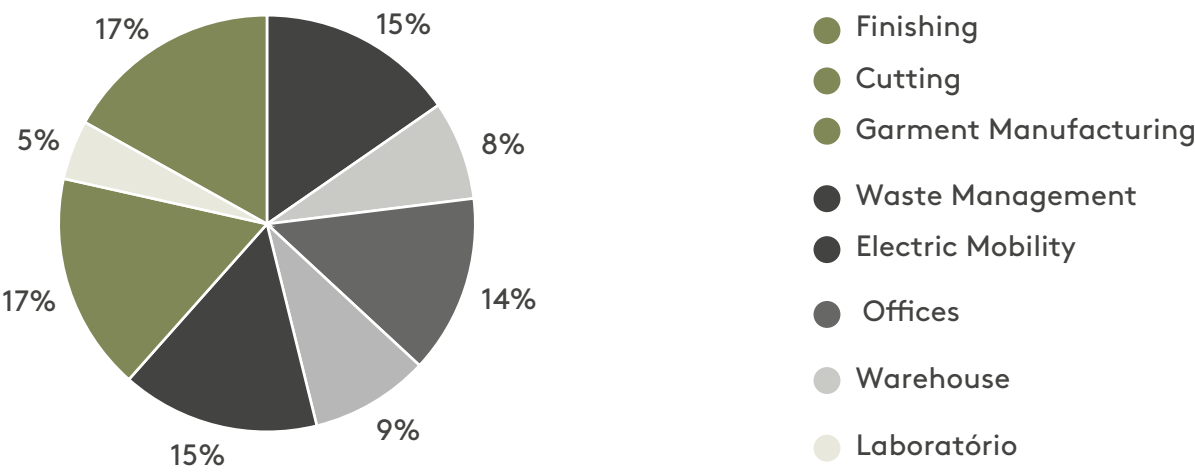
As a result of Confetil's continued efforts to increase the use of renewable energy, consumption from these sources rose by 7% compared to last year, with all electricity consumed in 2025 sourced from renewable energy.

100%
Electricity consumed
from renewable
sources in 2025



Energy consumption	2023	2024	2025	Variation to 2024
Fossil energy consumption (MWh)	1,480	1,400	1,334	-5%
Diesel	1,397	1,334	1,314	-2%
Natural gas	58	34	20	-40%
Electricity	25	31	0	-100%
Renewable energy consumption (MWh)	767	820	876	7%
Electricity	767	820	876	7%
Total energy consumption (MWh)	2,246	2,220	2,211	-0,4%
Total electricity consumption	791	851	876	3%
Total fuel consumption	1,455	1,368	1,334	-2%
% of energy from fossil sources	66%	63%	60%	-3 pp
% of energy from renewable sources	34%	37%	40%	3 pp
% of electricity from renewable sources	97%	96%	100%	4 pp

Electricity consumption by sector in 2025



Considering the different production sectors monitored for electricity consumption, the Finishing (17%), Cutting (17%), Waste Management (15%) and Electric Mobility (15%) areas account for the highest levels of electricity use.

Confetil set a target to reduce electricity consumption by 2% in 2025 compared to 2024.

Although a slight increase of 3% in electricity consumption was recorded in 2025 compared to the previous year, this increase was entirely attributable to renewable energy, as electricity sourced from fossil fuels was fully phased out.

During 2025, Confetil implemented several energy efficiency measures aimed at reducing overall consumption and enhancing thermal and operational performance, as part of its ongoing efforts to improve energy use and

Acquisition and installation of more energy-efficient HVAC equipment, with 85% of units replaced by 2025.

Installation of new industrial doors and gates to reduce thermal losses, with 70% of access points in production areas already replaced.

Progressive replacement of fluorescent lighting with more energy-efficient lighting solutions, achieving 100% replacement in production areas and 63% in administrative areas. The remaining lamps are expected to be fully replaced by 2026.

Partial thermal insulation of building roofs, with a plan in place for its progressive reinforcement.

3.3. CIRCULAR **ECONOMY** AND WASTE MANAGEMENT

In an industry where material efficiency and waste generation are critical challenges, Confetil places strong emphasis on integrating circularity principles and responsible waste management into its operations. The company focuses on preventing waste generation, improving segregation and valorisation practices, and promoting a more efficient use of materials throughout its processes. By leveraging innovation and technological capabilities, Confetil seeks to develop high-quality solutions with a lower environmental footprint, contributing to the extension of material lifecycles and the overall sustainability of its operations.



3.3.1. ECODESIGN AND RESPONSIBLE USE OF MATERIALS

An analysis of the composition of raw materials acquired in 2025 by Confetil highlighted a significant predominance of fibres of biological origin. Almost **98% of the materials analysed were biobased**, including cotton, wool, viscose, modal and lyocell. Cotton remains the company's main raw material, accounting for 91% of total material use, encompassing both conventional and certified cotton.

Certified organic materials represented over **28% of total raw material inputs**, primarily organic cotton certified under schemes such as GOTS or OCS. When considering cotton specifically, **31% of total cotton purchased** was organically certified, reflecting Confetil's ongoing efforts to integrate raw materials with lower environmental impact into its production processes. Recycled content accounted for 0.5% of total raw materials, mainly associated with recycled synthetic components included in fibre blends. The company remains committed to progressively increasing the share of certified and recycled materials, in line with evolving client requirements and sustainability expectations.

Confetil supports ecodesign and material efficiency through the integration of advanced technological solutions.

During product development, the company uses **3D garment modelling**, enabling the digital simulation of garments prior to physical prototyping. This approach reduces the number of samples produced, thereby decreasing raw material consumption and waste generation at the design stage.

During the production phase, Confetil employs **automatic cutting systems** that optimise cutting layouts and improve fabric utilization. These systems also contribute to reducing material losses and increasing process efficiency. This approach was further strengthened in 2024 with the integration of a laser cutting machine equipped with pattern recognition and marking technology, enabling higher precision and consistency in cutting processes and further improving material usage efficiency.

3.3.2. CIRCULARITY OF WASTE

Waste management at Confetil is focused on increasing recycling and material valorisation rates in production, while reducing undifferentiated waste generation. To support this objective, the company integrates waste segregation systems directly into its operations, including automated cutting equipment with built-in separation capabilities. This enables the segregation of waste streams at source, improving sorting quality, reducing cross-contamination, and facilitating recycling and recovery in line with the principles of the European Waste Hierarchy.

In parallel, Confetil has reinforced its waste management practices through targeted internal initiatives aimed at enhancing segregation and minimising undifferentiated waste, namely:

Waste sorting training



Company-wide training initiative to raise employee awareness and improve waste sorting practices, contributing to higher valorisation rates and a reduction in undifferentiated waste.

Implementation of food waste sorting



Introduction of dedicated segregation for food waste to ensure its appropriate handling within the waste management system.

As a result of these combined measures, Confetil achieved a tangible reduction in undifferentiated waste in 2025, eliminating one waste container (from three to two) and reducing the frequency of waste collections by an average of eight per month, equivalent to approximately 8,000 litres of avoided undifferentiated waste on a monthly basis. This initiative reinforces the company's commitment to waste prevention, improved sorting at source, and increased material recovery, in line with circular economy principles.

As part of its commitment to circularity, Confetil participates in the **be@t – bioeconomy at textiles** project (further information in **2.2. Driving sustainability through innovation**). Within this programme, the company is involved in a project (Measure 4.1) focused on research and development of new ecodesign processes to improve reuse, renovation and recycling. Running until June 2026, this initiative aims to extend garment life cycles through redesign strategies that maintain materials in use and improve resource efficiency.

Through its involvement in this project, Confetil gains access to emerging solutions for the textile and apparel sector, strengthens the integration of sustainability criteria into its production processes, and contributes to collaborative innovation efforts supporting the transition towards circular and bio-based business models.

Confetil operates under a private label business model, whereby the design and final specifications of products are defined by its clients. As such, decisions related to product design, technical requirements and sustainability criteria are primarily established upstream by the brands for which the company manufactures. Nevertheless, Confetil plays an active role in material sourcing and process selection, with its development teams proposing solutions aligned with both technical and sustainability requirements defined by clients.

In recent years, there has been a growing integration of circularity principles driven by client specifications, including the preferential use of recyclable or renewable materials, the incorporation of certified or recycled fibres, and the development of mono-material garments to facilitate end-of-life recycling.

Within the production process, textile waste is predominantly generated during the cutting phase. Whenever technically feasible, these waste streams are directed towards material recycling, particularly in cases involving mono-material compositions such as cotton, which enable more efficient recycling processes. This approach allows Confetil to valorise a significant share of textile waste, reducing the volume sent for final disposal while promoting material circularity.

Currently, Confetil does not implement direct upcycling practices in garment production, as the private label business model and client-specific requirements limit the reintegration of production waste into final products.

As a result of these efforts, in 2025, the vast majority of waste was directed to valorisation routes, primarily recycling, and was classified as non-hazardous. The slight increase in hazardous waste observed during the year was attributable to the air compressor condensate purge, which is no longer discharged into the drainage system.

Waste	2023	2024	2025	Variation to 2024
Total waste generated (tons)	148	190	161	-15%
Hardous waste	0	0	0,2	-
Radioactive waste	0	0	0	-
Non-hazardous waste	148	190	161	-15%
Total waste sent for recovery (tons)	148	190	161	-15%
Hazardous waste sent for recovery	0	0	0	-
Non-hazardous waste sent for recovery	148	190	161	-15%
Preparation for reuse	148	190	161	-15%
Recycling	0	1,368	0	-
Other recovery operations	0	63%	0	-
Total waste sent for disposal (tons)	0	37%	0,2	-
Hazardous waste for disposal	0	0	0,2	-
Incineration	0	0	0	-
Landfill	0	1,368	0	-
Other disposal operations	0	1,368	0	-
Non-hazardous waste sent for disposal	0	0	0	-
% of waste sent for recovery prepared for reuse	100%	100%	99,9%	-0,1 pp
% of waste sent for disposal	0%	0%	0,1%	-

3.4. PRODUCT QUALITY AND CHEMICAL STEWARDSHIP

Confetil recognises that product quality and the responsible management of chemical substances are essential components of its environmental management system and of its responsibility across the value chain. Although the company's activities involve only a limited use of chemical substances, chemical stewardship is considered a relevant topic due to its potential environmental, health and compliance implications, particularly in upstream production stages and supplier operations.

Confetil's approach to chemical stewardship is structured around three core pillars:

- 1** - Minimizing the use of chemicals in internal operations, prioritizing production processes that require low chemical input;
- 2** - Ensuring safe and controlled management of the chemicals used, particularly within laboratory activities and industrial maintenance, in full compliance with applicable legislation;
- 3** - Adoption of a preventive approach across the supply chain, by requiring supplier compliance with restrictive substance lists and recognised sector initiatives for chemical management.

Through this integrated approach, Confetil aims to reduce environmental and health risks associated with chemical substances, safeguard product quality and compliance, and align its practices with client expectations and best practices within the textile and apparel industry.

Within **Confetil's own production processes**, the use of chemical substances is limited and tightly controlled. In garment manufacturing activities, chemical usage is primarily confined to stain removal products applied occasionally during finishing operations, as well as industrial lubricants required for the operation and maintenance of sewing equipment and related machinery.

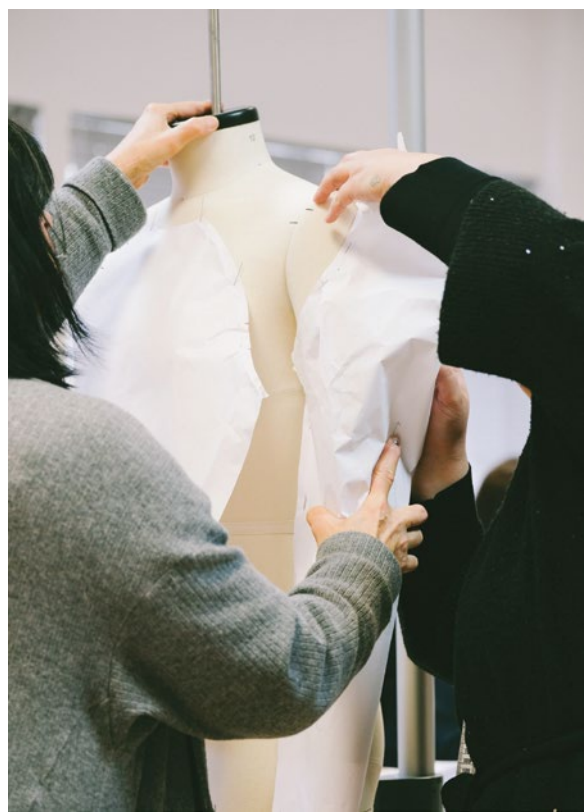
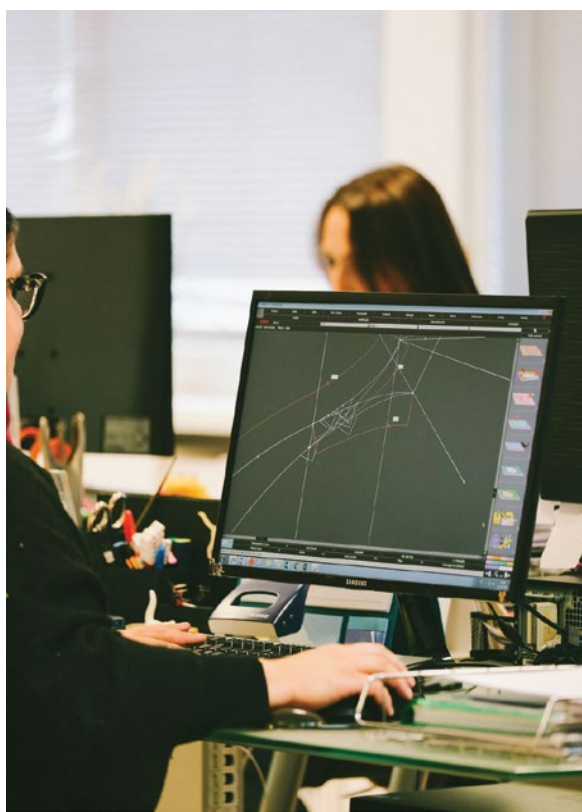
In addition, Confetil operates an internal Quality Control Laboratory, where chemical reagents are used to perform tests in accordance with applicable textile standards and methodologies. These substances are handled in small quantities and under controlled conditions, ensuring that risks associated with their use, storage, and disposal remain minimal.

The management of internally used chemicals is supported by established procedures covering procurement, handling and storage. Substances are acquired and managed appropriately in accordance with their specific characteristics, and **Safety Data Sheets (SDS)** are made available for all relevant products. Employees involved in handling chemical substances receive targeted training, ensuring adherence to safe handling practices and compliance with applicable regulatory requirements.

At the supply chain level, upstream processes such as dyeing, printing and washing involve a more intensive use of chemicals and, consequently, present higher potential environmental and health risks. To address these risks, Confetil has implemented specific requirements for its suppliers to ensure compliance with legal, environmental and client-specific standards. These requirements include:

- Compliance with **Restricted Substances Lists (RSLs)** defined by customers;
- Compliance with **Manufacturing Restricted Substances Lists (MRSLs)** applicable to production processes;
- Where required by clients, demonstration of compliance with recognised **chemical management programmes** within the textile sector, such as the Zero Discharge of Hazardous Chemicals (ZDHC) programme.

These criteria are embedded within Confetil's supplier qualification and evaluation processes, ensuring that purchased materials meet not only regulatory requirements but also the environmental and chemical safety expectations of clients and end markets.



4. VALUING OUR PEOPLE

At Confetil, people are at the heart of the company's activity and the foundation of its success. As an employer of more than 300 team members, the company is committed to providing fair and dignified working conditions, while continuously investing in the development and well-being of its workforce. Confetil recognizes that collective performance is built on the daily efforts of each individual, making employee engagement and development key priorities.

This humancentered approach is reflected not only in the creation of stable local employment, but also in the promotion of longstanding, trustbased relationships with employees, clients, and partners - relationships which are only possible thanks to the dedication, experience and engagement of its teams over decades.

Confetil promotes an environment where skills development, knowledge sharing and proximity are encouraged, supporting the strengthening of internal capabilities and team cohesion. At the same time, the company is dedicated to fostering an inclusive and diverse workplace, promoting equal opportunities and the integration of new talent, while valuing the contribution and experience of its teams. The company also employs individuals from different nationalities, contributing to a culturally diverse working environment.

Confetil conducts its activities in alignment with recognised international human rights standards, including the Universal Declaration of Human Rights and the principles of the International Labour Organization (ILO). This commitment is reflected in Confetil's **Code of Ethics and Conduct**, which establishes clear standards for ethical and responsible behavior and explicitly prohibits any form of discrimination based on, among others, sex, age, race, disability, political beliefs, religion, sexual orientation or gender identity (further information in 5. Acting with integrity and transparency). In addition, all employees are guaranteed full freedom of association and may join trade unions according to their own choice, with worker representatives protected from discrimination and provided with the necessary conditions to perform their duties.

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Incidents of human
rights violations

Together, these practices underpin a strong organisational culture based on collaboration, respect, engagement, and shared responsibility, recognising that Confetil's resilience and sustained performance are intrinsically linked to the strength and commitment of its people.



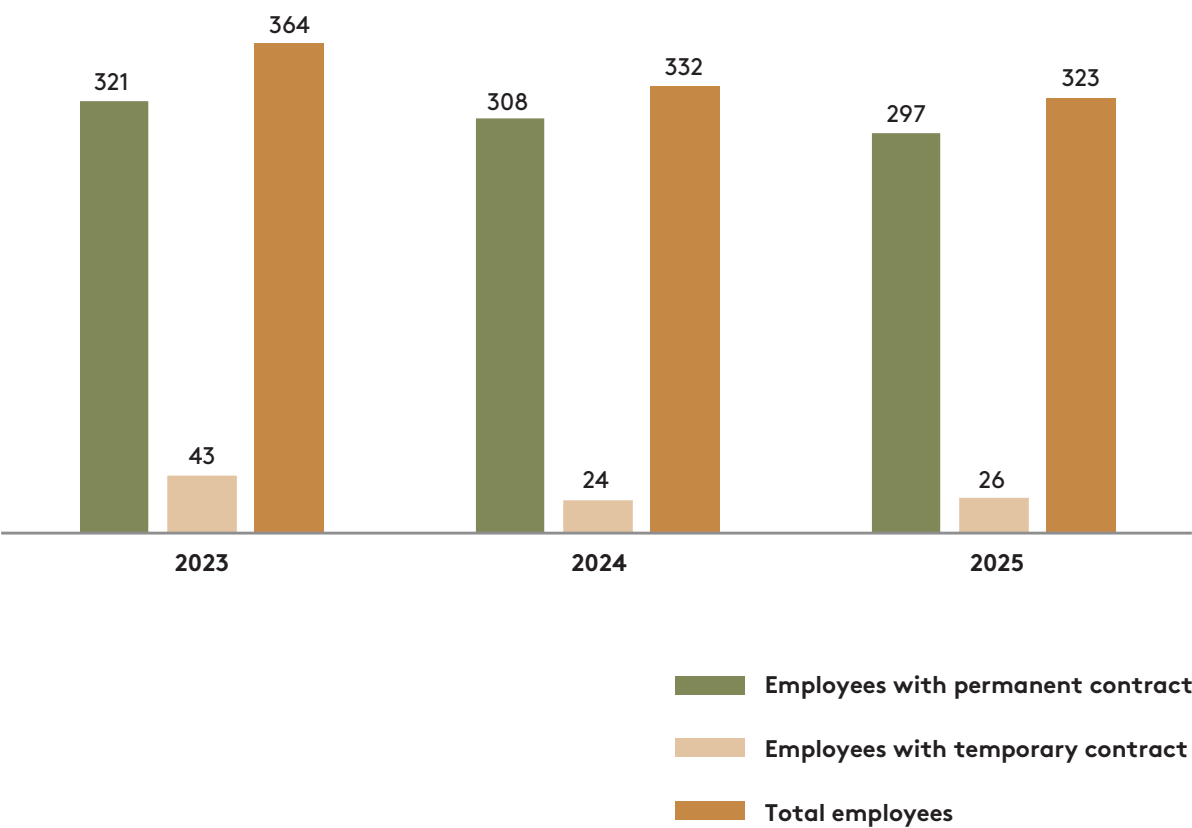
4.1. WORKING CONDITIONS

In 2025, Confetil had **323 employees**, reflecting a slight 3% decrease from the 332 employees recorded in 2024. This variation was more pronounced in permanent employment, which decreased by 4% (from 308 to 297), while the number of employees with temporary contracts increased by 8% (from 24 to 26).

Permanent employment continues to represent the vast majority of the workforce, accounting for 92% of total employees - an increase from 88% in 2023 - reflecting the company’s ongoing commitment to stable and long-term employment relationships.

6
Temporary workers provide by external employment services

Employees by type of employment contract in 2025



Regarding gender distribution, the number of male employees increased slightly by 4% (from 71 to 74), while the number of female employees decreased by 5% (from 261 to 249), maintaining the predominantly female workforce profile characteristic of the garment manufacturing segment within the textile industry.

Employees ⁽¹⁾	2023	2024	2025	Variation to 2024
Men	68	71	74	4%
Women	296	261	249	-5%
Total number of employees	364	332	323	-3%
% of employees with permanent contract	88%	93%	92%	-1 pp

⁽¹⁾ Number of employees in headcount.

In 2025, Confetil significantly reduced its turnover rate from 16% to 9%, reflecting an improvement in employee retention.

Turnover rate	2023	2024	2025	Variation to 2024
Employees who left the company during the reporting period	40	52	30	-42%
Average number of employees during the reporting period	364	332	323	-3%
Turnover rate⁽²⁾	11%	15%	9%	-7 pp

⁽²⁾ Turnover rate by dividing the number of employees who left during the reporting year by average number of employees in the same period.

At management level, Confetil maintains full gender parity, with equal representation of women and men across a total of eight management positions.

100%
Gender parity ratio
across leadership roles

Confetil remains committed to fostering positive and supportive working conditions, ensuring employees feel valued and well cared for. In 2025, this commitment was reinforced through several initiatives aimed at improving comfort, wellbeing and access to essential services.



Improvement of dining area in 2025 with new and additional appliances, enhanced acoustic and thermal comfort, creating an expanded social space for all employees.



Celebration of special occasions:	Summer holidays gathering
Christmas dinner	Women’s Day
Christmas gifts for employees’ children up to 12 years old	Easter
Christmas hampers for employees	Pink October



Protocols with pharmacies, including discounts, optical services, gyms, childcare, language schools programming school, laundry services, entertainment/events, podiatry and nutrition for all employees and their families.

In 2025, Confetil expanded their network of partnerships with a gym near the company offering advantageous prices for employees and families, and a new pharmacy providing medication delivery to the company.



Health insurance for all employees with a six-month waiting period, with the option to extend coverage to household members.



Visual and auditory screenings offered to all employees wishing to participate.



Life insurance of 20,000€ for all employees with a permanent contract.

Confetil is committed to continuously understanding and enhancing employee satisfaction, recognising it as a key driver of organisational performance and well-being. In 2025, the company conducted its first employee satisfaction survey, achieving a participation rate of 56%.

The results were highly positive, with all respondents indicating overall satisfaction with their experience at Confetil, reflecting the effectiveness of the company's organisational culture and the measures implemented, thereby providing a solid basis for continuous improvement and monitoring of employee well-being.



4.1.1. HEALTH AND SAFETY

Confetil has implemented multiple mechanisms to prevent work-related accidents and occupational diseases, conducting its activities in accordance with clearly defined health and safety principles, as established in its Code of Ethics and Conduct. These include:

     	Promoting a safe and healthy workplace by implementing preventing and organizational practices designed to reduce risks to employees' health and safety. Identify and assessing workplace hazards, followed by the adoption of measures aimed at preventing work-related accidents and occupational illnesses. Delivering ongoing and appropriate training to all employees on health and safety topics. Maintaining clean, well-equipped facilities, including adequate social and rest areas. Providing access to occupational healthcare services, including medical and nursing support. Ensuring the regular functioning of the Health and Safety Committee to monitor and support workplace safety initiatives.
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Employees are also expected to promptly report any potentially hazardous situations affecting health and safety, enabling timely and effective corrective actions.

In 2025, the number of recorded workplace accidents decreased by 40%, totaling nine incidents during the year. However, there was a significant increase in the number of days lost due to work-related accidents. As a result of these trends, the accident frequency rate declined to 3.2 in 2025, while the severity rate increased to 68.9.

Work-related accidents	2023	2024	2025	Variation to 2024
Number of deaths due to work-related injuries or health conditions	0	0	0	-
Number of recordable work-related accidents	11	15	9	-40%
Number of hours worked	755,744	631,104	560,418	-11%
Number of lost days due to injuries	140	91	193	>100%
Rate of recordable work-related accidents	2.9	4.8	3.6	-33%
Severity index of work-related accidents	37.0	28.8	68.9	>100%

Over the past three years, Confetil has not recorded any employee complaints or reports related to physical safety, personal data privacy, or other health and safety matters.



4.2. TRAINING AND SKILLS DEVELOPMENT

Developing employees' skills and capabilities plays an important role in supporting both individual growth and Confetil's overall evolution. In 2025, this focus was further strengthened through a structured career development programme combining training, mentoring, internal mobility, and onboarding initiatives.

Built around these core pillars, the programme enhances technical capabilities, supports career progression, facilitates the integration of new employees, and promotes internal mobility, contributing to a more skilled, engaged, and adaptable workforce.

Career development program

INTERNAL PROMOTIONS

The internal promotion programme is designed to recognise employee potential and encourage mobility across departments, supported by targeted training and internal mentoring. By promoting continuous development, it enhances employee motivation and retention while contributing to a more versatile and collaborative workforce.

TUTORING

The onboarding tutoring programme supports the integration of new employees by assigning dedicated mentors, providing personalised guidance during the initial stages. This facilitates faster adaptation, strengthens alignment with teams and working methods and helps improve retention.

TRAINING

Continuous training is provided on an annual basis, ensuring that employees are equipped with the skills and knowledge required to perform their roles effectively and support their ongoing professional development.

CURRICULAR INTERNSHIPS

Curricular internships are offered in partnership with educational institutions, providing students with practical experience across areas such as Fashion Design, Management, Garment Making, and Quality, while bringing fresh perspectives into the organisation. In 2025, a total of six internships were carried out in collaboration with the Escola de Moda do Porto and the Lycée Français International do Porto.

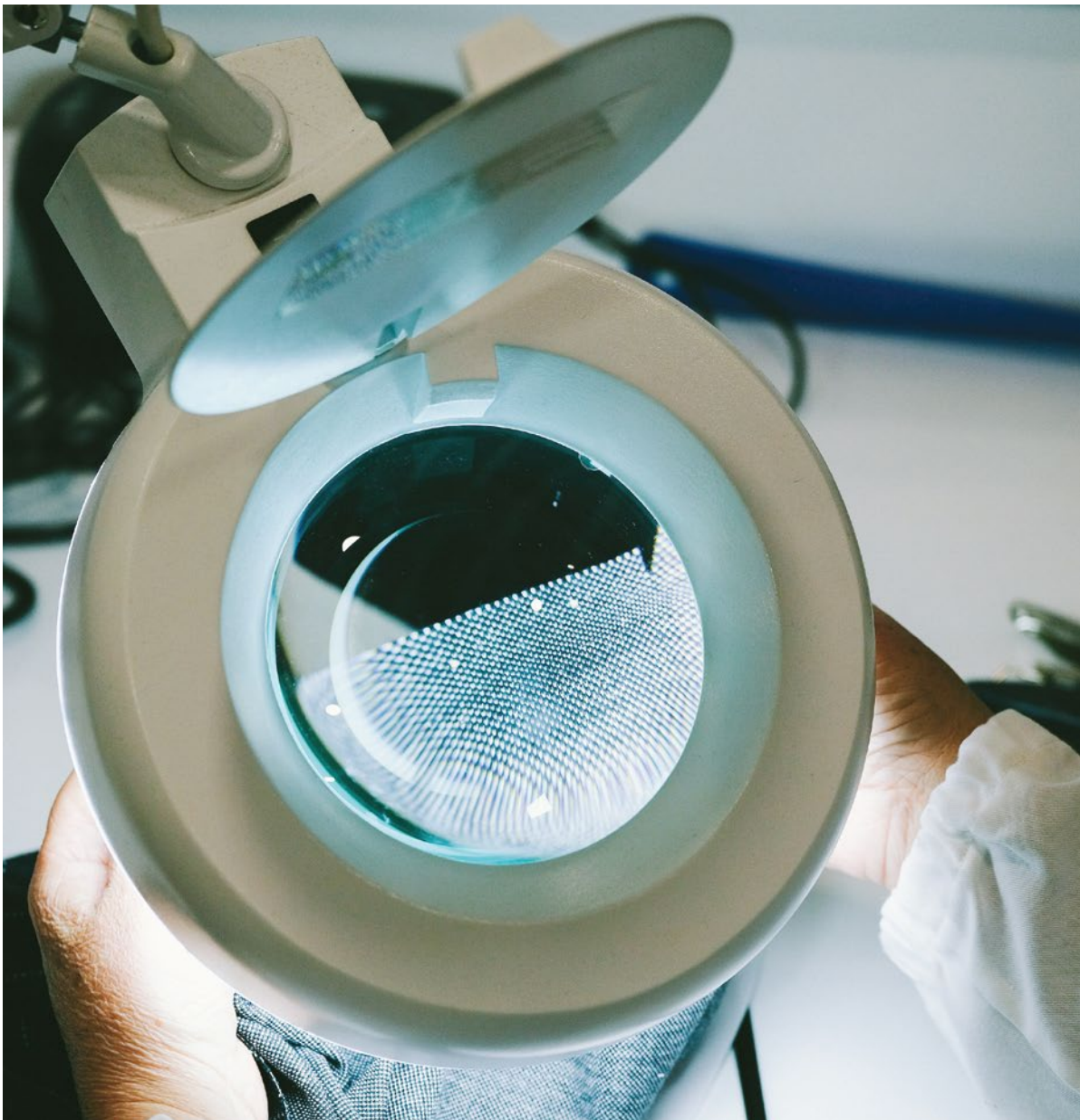
In 2025, Confetil delivered approximately 1,586 hours of training with special emphasis on sustainability, health and safety, onboarding of new employees, language skills, information technologies and quality-related topics.

Average training hours per employee, by gender	2023	2024	2025	Variation to 2024
Men	5.4	3.2	7.0	>100%
Women	6.0	4.1	4.3	4%
Total	5.9	3.9	4.9	25%



5. ACTING WITH INTEGRITY AND TRANSPARENCY

Transparency, loyalty, and a strong commitment to integrity and innovation are core principles that guide Confetil's culture and approach to business, shaping the way it engages with customers, partners, suppliers, the community, and the environment. These values underpin responsible business practices across the value chain, fostering close collaboration with trusted suppliers, ensuring compliance with quality and sustainability standards, and supporting the development of long-term, resilient business relationships.



5.1. ETHICS, TRANSPARENCY AND COMPLIANCE

Confetil established a Code of Ethics and Conduct that defines the minimum requirements for ethical and responsible behavior to be observed in the course of its activities, firmly grounded in respect for human and labor rights. The principles set out in this Code apply to all Confetil employees, regardless of their hierarchical position or contractual relationship, as well as to all relationships established on behalf of Confetil with external entities.

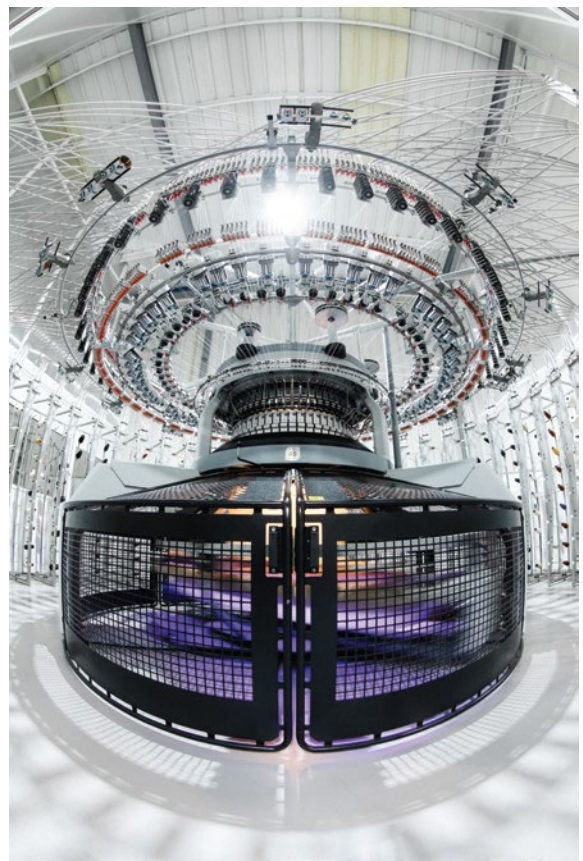
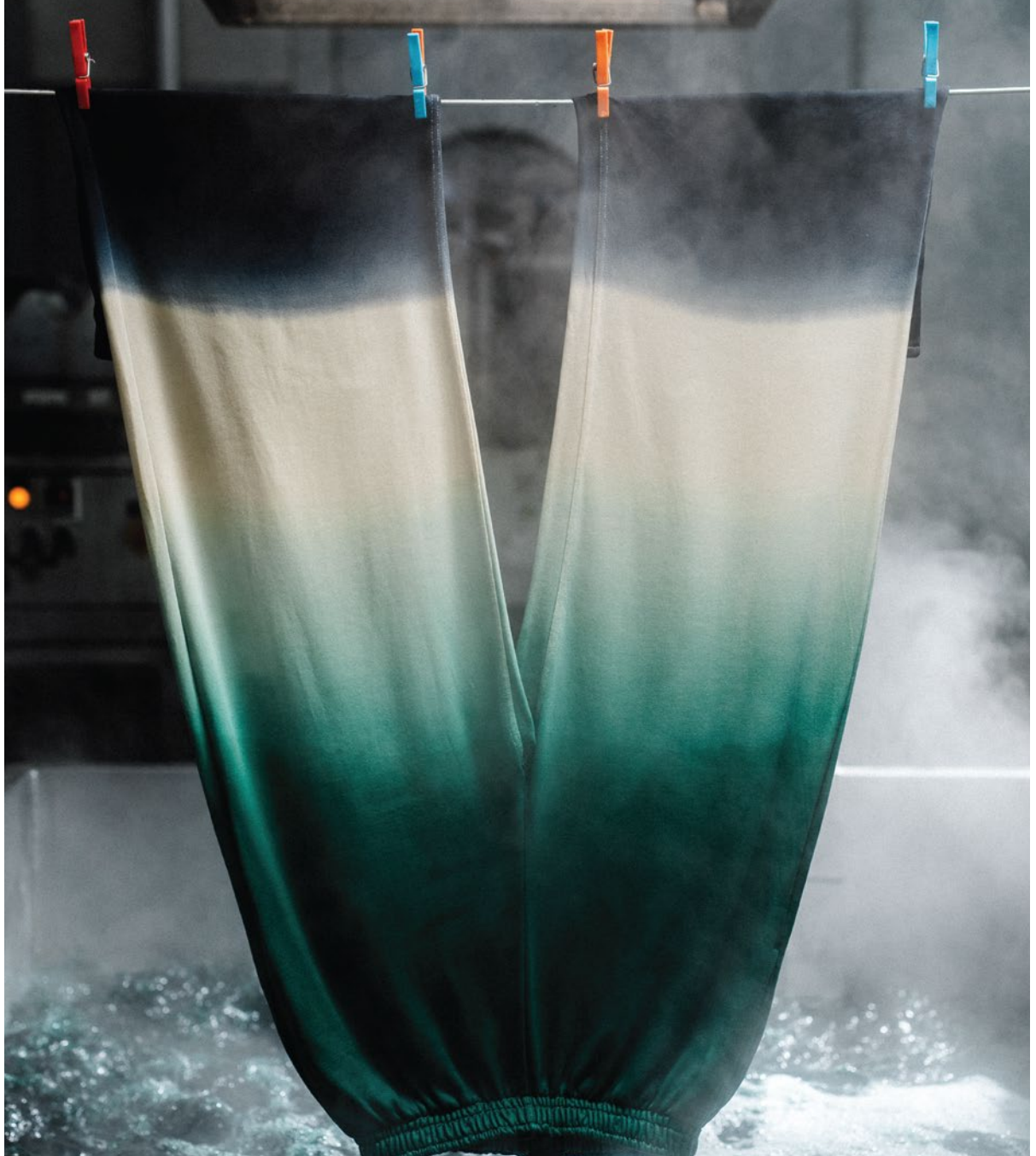
Confetil's Code of Ethics and Conduct explicitly prohibits any form of child labor, establishing a minimum employment age of 18, in accordance with the Labor Code, as well as any form of forced or coercive labor, including practices associated with slavery, prison labor, or human trafficking.

The company promotes a working environment based on solidarity and mutual respect, adopting a zero-tolerance policy towards any form of moral or sexual harassment. In parallel, Confetil requires its employees to act with integrity in business conduct, implementing strict practices to prevent bribery and corruption, and expressly prohibiting the offering, promising, or acceptance of undue payments or benefits in all relationships with third parties.

Employees who identify situations that may indicate a potential breach of the principles outlined in this Code are encouraged to report their concerns to the Human Resources Department, either in person or via email. Additionally, a Reporting Channel is available through the corporate website, allowing all stakeholders to confidentially report any irregularities or suspected non-compliance with these commitments.

In 2025, Confetil did not record any confirmed incidents, convictions, or fines related to corruption and bribery, human rights violations, or discrimination. Furthermore, the company was not aware of any such incidents occurring within its value chain, including those involving employees, communities, or consumers.

CODE OF ETHICS AND CONDUCT	Statutory duties Adherence to all legal obligations related to employment and Confetil's ethical principles.	Human rights Respect for internationally recognised human rights, ensuring dignity fairness, and ethical treatment of all individuals.
	Child labour Strict prohibition of child labour, in line with international standards.	Forced or compulsory labour Rejection of any form of forced or compulsory labour.
	Freedom of association Respect for employees' rights to unionization, freedom of association and collective bargaining.	Legal and regulatory compliance Commitment to comply with all applicable laws, regulations and industry standards in all activities, including suppliers and subcontractors.
	Workplace harassment Zero tolerance for harassment or any form of inappropriate behaviour in the workplace.	Duty of loyalty and collaboration Promotion of a culture based on trust, professional confidentiality, cooperation, and responsible conduct across the organisation.
	Anti-bribery and corruption policy Prohibition of bribery and corruption in all forms, ensuring integrity in business relationships.	Health and safety at work Commitment to providing a safe and healthy work environment through prevention and risk management.
Working hours Compliance with legal requirements regarding working time, ensuring fair and balanced working conditions.	Sustainability Integration of environmental and social responsibility principles into its strategy, business activities and decision-making.	Inquiries and disciplinary regime Establishment of mechanisms to address non-compliance, ensuring appropriate investigation and corrective actions.



5.2. RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Confetil applies a comprehensive set of requirements to its suppliers and production partners to ensure alignment with ethical, environmental, and chemical safety standards across the supply chain. This approach enables the company to verify that the materials and processes used by its partners meet applicable regulatory requirements as well as the quality and environmental expectations defined by its clients.

In this context, suppliers are required to:

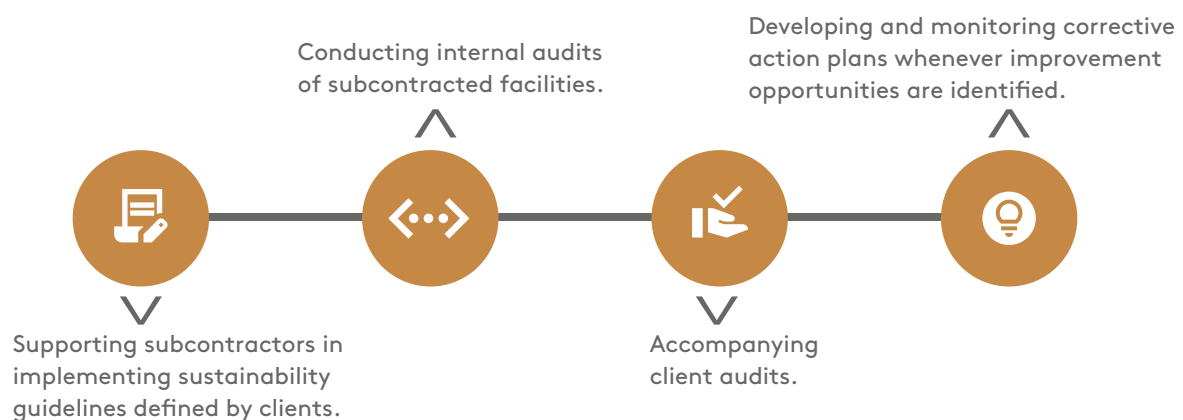
Sign a commitment declaration

Confirm compliance with the company's Code of Ethics and Conduct, which sets out principles related to labour rights, business ethics, health and safety, legal compliance and environmental responsibility.

Sign a compliance declaration

Confirm adherence to restricted substances requirements, ensuring conformity with the applicable Restricted Substances Lists (RSL) and Manufacturing Restricted Substances Lists (MRSL).

For subcontracted cutting, sewing, and packaging units, ongoing technical and operational oversight is ensured, led by the Sustainability Team, covering a range of key areas, namely:



This continuous oversight strengthens the ability of production partners to meet evolving sustainability expectations and supports the gradual improvement of environmental and social performance across the value chain.



6. ANNEXES

VSME table

The following table presents the disclosure requirements reported in the 2025 Sustainability Report in accordance with the VSME framework and Confetil’s material topics, together with their respective location within the report.

Module	Content	Location
Basic	B1 – Basis for preparation	About the report
	B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	1. Confetil 2. Sustainability management 5. Acting with integrity and transparency
	B3 – Energy and greenhouse gas emissions	3. Mitigating environmental impact
	B4 – Pollution of air, water and soil	Not applicable
	B5 – Biodiversity	Confetil does not have facilities or operations located in or near areas sensitive in terms of biodiversity.
	B6 – Water	Water withdrawal: 2.599 m3 (2023); 2.055 m3 (2024); 2.030 m3 (2025). Water consumption is not significant, as it is limited to human use and laboratory activities, with no direct application in the production process aside from water supplied to electric steam boilers for ironing operations.
	B7 – Resource use, circular economy and waste management	3. Mitigating environmental impact
	B8 – Workforce - General characteristics	4. Valuing our people
	B9 – Workforce - Health and safety	4. Valuing our people
	B10 – Workforce - Remuneration, collective bargaining and training	4. Valuing our people Every employee earns a wage equal to or above the national minimum salary. Collective bargaining agreements (CBAs) are not applicable to Confetil, as the company is a member of ATP; however, despite the expiry of the previously applicable agreement, Confetil continues to apply its provisions where more favourable to employees.
	B11 – Convictions and fines for corruption and bribery	5. Acting with integrity and transparency

Comprehensive	C1 – Strategy: Business Model and Sustainability – Related Initiatives	1. Confetil 2. Sustainability management 3. Mitigating environmental impact 4. Valuing our people 5. Acting with integrity and transparency
	C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	2. Sustainability management
	C3 – GHG reduction targets and climate transition	3. Mitigating environmental impact
	C4 – Climate risks	Confetil has not yet conducted a climate risk analysis.
	C5 – Additional (general) workforce characteristics	4. Valuing our people
	C6 – Additional own workforce information – Human rights policies	4. Valuing our people
	C7 – Severe negative human rights incidents and processes	5. Acting with integrity and transparency
	C8 – Revenues from certain sectors and exclusion from EU reference	Not applicable
	C9 – Gender diversity ratio in the governance body benchmarks	In 2025, the governance body of Confetil consisted of two members, both of whom were male.



CONFETIL