

SUSTAINABILITY REPORT 2019

EVOLVING WITH SUSTAINABILITY

fitesa

TABLE OF CONTENTS

01

INTRODUCTION

About the report	5
Letter from the CEO	8
News & Highlights	10

02

THE COMPANY

About Fitesa	13
Global presence	14
Engagement with Our Stakeholders	16
Our Market	18
Corporate governance	19
Ethics and Compliance	21
Company Drives and Operational Strategy	24
Economic Performance	26

03

GROWTH

Expansion	29
Employment & Diversity	31
Training	35

04

SOLUTIONS AND INNOVATION

Our Technologies	39
Awards	41
Our Solutions	42
Innovation	44
Quality	46

05

RESPONSIBILITY

Sustainability	49
Global Compact and SDGs	50
Suppliers	51
Efficient use of materials	52
Energy	54
Emissions	56
Effluents	58
Solid waste	59
Health and safety	61
Social investment	64
Destination of plastics	66

* ATTACHMENTS

GRI Standards Content Index	69
Credits	74
Safe Harbor Statement	75

1

CHAPTER

INTRODUCTION

About the report

Letter from the CEO

News & Highlights

About the report

GRI 102-1 / 102-5/ 102-21 / 102-45 / 102-46 / 102-47 / 102-49 / 102-50
/ 102-51 / 102-52 / 102-54 / 102-54 / 102-56/ 103-1 / 103-2 / 103-3



Welcome to Fitesa’s 2019 Sustainability Report. This document aims to present how our management and strategy generated value for our stakeholders, society and the environment between January 1st and December 31st of 2019.

This report is aligned with our management values and practices, mirroring our pledge to transparency to build trust between the Company and its stakeholders. We prepared our report in accordance with the Global Reporting Initiative (GRI) Standards: Core Option issued by the Global Sustainability Standards Board (GSSB). Employed by corporations worldwide, GRI Standards are the most up-to-date version of the guidelines and represent global best practices of reporting. Fitesa publishes a report annually but chooses not to externally assure our reports.

In order to ensure that the information disclosed throughout this report is the most relevant for the sustainability of our business, we singled out the company’s Material Topics, in partnership with Fitesa’s leading executives. Material Topics were selected based on company’s strategy, direction and purpose. There were no significant changes from the previous reporting period in regard to the list of Material Topics or the identified Stakeholders.

Material Topics and the taken management approach are explained throughout the report in each topic’s respective section; however, defined boundaries were not reported. When applicable, evaluation of the management approach is also covered under each topic’s respective section.



For the 2019 report, we have also linked our Material Topics to the 17 Sustainable Development Goals (SDGs) proposed by the United Nations (defined on page 50). In doing so, we have identified how our company created positive impact for society through these universally recognized initiatives with a positive impact icon.

GRI disclosures are notated at the start of each subchapter by the acronym “GRI” and a full list can be reviewed in the GRI Content Index (on page 69).

FITESA'S MATERIAL TOPICS & SDG LINK



ECONOMIC PERFORMANCE



EMISSIONS



TRAINING AND EDUCATION



(Indirectly)



DIVERSITY



MATERIALS



(Indirectly)



EFFLUENTS AND WASTE



OCCUPATIONAL HEALTH AND SAFETY



ANTICORRUPTION



ENERGY



END CUSTOMER HEALTH AND SAFETY



EMPLOYMENT



(Indirectly)



Report Scope

Fitesa is a privately held subsidiary of Evora, a Brazilian holding company. This report addresses the results and initiatives of all Fitesa operations worldwide. Accordingly, the following legal entities are represented: Fitesa S.A., Mantar Mercedes S.A., Fitesa Naotecidos S.A., Fitesa S.A. Limited, Fitesa Sweden AB, Fitesa Italy Srl, Fitesa US LLC, Fitesa Washougal Inc., Fitesa Nonwoven Inc., Fitesa Simpsonville Inc., Fitesa Germany GmbH, Fitesa China Holdings BV, Fitesa (China) Airlaid Company Ltd., Fitesa (Tianjin)

Nonwovens Company Limited, Fitesa Mexico Holdings Limited, FitesaNonwovens Holdings Mexico SA de CV, FitesaNonwovens Mexico SA de CV, FitesaNonwovens Services Mexico SA de CV, Fitesa Peru SAC, Pantex International SpA, Pantex Mena FZ LLC, Pantex Americas LLC and FitesaCNC.

The 2019 report does not include quantitative data pertaining to the newest acquisition, Jacareí, (São Paulo, Brazil), as the transaction was finalized in 2020.

Letter from the CEO

GRI 102-14

This Sustainability Report was created to present to you, our reader, how Fitesa's strategy, operation and results impacted customers, consumers, employees, society and the environment in 2019. The document shows the major highlights of our business throughout the year, from a financial, social and environmental point of view.

Throughout 2019, a number of global and local factors influenced our business, including shifts in commercial tariffs and in the price of raw materials, such as oil. Facing this scenario, our net sales amounted to US\$ 980 million, a value that does not yet express all of our international capacity, giving room for continued growth.

From an operational point of view, the year was characterized by the consolidation and continuity of the expansion opportunities that we have experienced in recent years, always governed by the target of being close to where our products are needed.

During the year, the FitesaCNC plants in Rayong (Thailand) completed their first year of operation under Fitesa ownership, going through a robust process of operational and cultural assimilation. The process was aided by the election of CEO with comprehensive background at Fitesa to head the local business. As a result, the plant is achieving the predicted results, giving us access to consumers in Southeast Asia, a booming market.

We also consolidated the additional capacity realized by previous year expansion projects in Simpsonville (United States) and Peine (Germany).

Simultaneously, we continued to expand our global reach by stepping up the production capacity at our Pantex facility in Sulmona (Italy) and made the announcement of our intent to acquire the South American hygiene operation from Freudenberg, which was finalized in February 2020. In this respect, we will continue to grow our geographic presence, product diversity and production capacity, in pursuit of being the preferred choice for supplying our customers globally.

To broaden our ability to generate value for numerous stakeholders, sustainability is one of the strategic guidelines of our business, penetrating many of our processes and leading a set of actions to diminish and, if possible, eliminate any negative impact Fitesa has on the environment and society.

For over ten years, we have refined our processes and strengthened our knowledge to develop nonwovens from renewable sources, which replace the use of raw materials such as oil and natural gas. These efforts have been recognized by industry leading organizations, including INDA who awarded Fitesa with the IDEA 2019 Roll Good Achievement Award focused on the development and launch of 100% BioBase PLA Soft nonwoven fabric, made from 100% renewable and compostable resin.

In an effort to shape our operation with less and less impact on the environment, last year we announced three goals for 2025, which aim to cut down the relative utilization of electricity, the relative emission of CO₂ and the relative disposal of waste to landfills in our plants. In 2019, we achieved a reduction in energy consumption per tonne of product by 2% (35.4 kWh/tonne) and although our emissions per tonne of product remained relatively flat year-over-year we remain committed to achieve our previously established goal.



EFFICACY
summarizes our 2019
year. We took a big
step forward with our
abilities, efficiency and
successful obtainment
of our intended results.”

In order to further emphasize our commitment to sustainable development, in 2019 we joined the Global Compact, a UN initiative to encourage companies to adopt corporate social responsibility and sustainability policies. In doing so, we have started to adjust our sustainability strategy with international references such as the 10 Principles of the Global Compact and the 17 Sustainable Development Goals (SDGs).

We have already realized positive impacts in key areas and want to encourage our industry customers and competitors to join us in this mission. Fitesa remains committed to these initiatives and will show support to the Global Compact for the coming years.

Safety remains a priority at Fitesa. In 2019 we dramatically dropped our lost day rate while our recordable injury rate remained relatively flat at 0.88. This confirms our actions are making a difference in the severity of injuries sustained, but we have to continue working toward a reality with no injuries or lost time.

We strongly believe that all injuries are avoidable and no task is so urgent that it can't be performed safely.

We continue to strive toward serving our customers with higher quality, innovation and sustainable alternatives. Our 2019 results were achieved through the devoted work of our employees and was only possible thanks to the confidence of suppliers, shareholders and customers. For this reason, we thank you for your support and welcome everyone to learn more about our operation and its impacts throughout this Report.

Enjoy your reading!

SILVERIO BARANZANO

CEO

News & Highlights

GRI 102-10

Fitesa Joins UN Global Compact

On April 5, 2019 Fitesa joined the UN Global Compact committing initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

Relaunch of Ethics Reporting Hotlines (ReportIT and Canal Ético Fitesa)

In an effort to conduct our business with utmost level of ethical standards and full transparency; we globally relaunched the ReportIT hotline service during Q4-2019. We encouraged employees to use this system or South American reporting system, Canal Ético, for anonymous reporting of any concerns in ethical, wasteful, illegal or fraudulent behavior.

Fitesa Awarded 2019 Partner of the Year - Innovation Award by Ontex Global

The award was announced during a ceremony in April, hosted by Ontex Global, that Fitesa delivered a strong partnership and pragmatic approach in supporting innovation, production productivity and problem solving across the Ontex business. Michael Baumgartner, Managing VP of EurAsia graciously accepted the award from Annick De Poorter, Ontex's Executive VP R&D and Quality, on behalf of Fitesa.

Fitesa Buys South American Hygiene Business From Freudenberg

"The acquisition of Freudenberg's South American hygiene business provides us with a state-of-the-art production facility as well as with a professional and well-trained workforce, which will help us to better service the needs of our customers" Silverio Baranzano, CEO of Fitesa. The purchase was made public in December 2019 and approved by legal authorities in February 2020.

Fitesa Sees Significant Improvements in Health and Safety Indicators

During 2019, Fitesa implemented new safety policies which contributed to an 85.3% reduction in lost days and we physically involved 23.5% more employees on local safety committees.

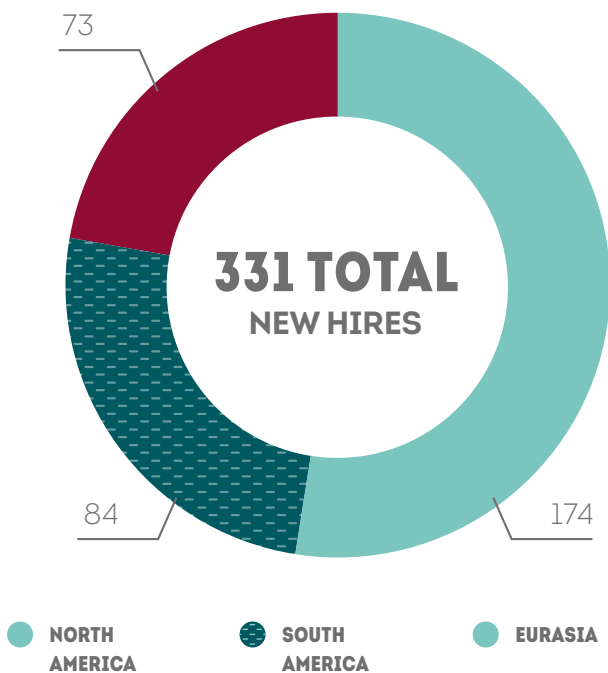
2019 TRAINING HOURS

64,436 hrs. (+15.3%)

31% (3.4 kg/tonne)

REDUCTION IN MANUFACTURING WASTE TO LANDFILL COMPARED TO LAST YEAR.

FITESA GLOBAL JOB CREATION 2019



Fitesa Introduces New Wave of Products to Market

Innovation at Fitesa continued to lead the way for the nonwoven market with the introduction of a new wave of products following a breakthrough in 100% polyethylene (PE) spunmelt production.

2

CHAPTER

THE COMPANY

About Fitesa

Global presence

Engagement with Our Stakeholders

Our Market

Corporate governance

Ethics and Compliance

Company Drives and Operational Strategy

Economic Performance

About Fitesa

GRI 102-2 / 102-3 / 102-4 / 102-7 / 102-16

We are a Brazilian, multinational company with 46 years of history. For the last 31 years, we have been manufacturing nonwoven fabrics for the hygiene, medical and industrial markets.

We manufacture spunmelt, carded and airlaid nonwovens, elastic films, laminates and other specialty fabrics. We are the world’s second largest spunmelt nonwovens manufacturer.

Through Pantex, we offer innovative and refined products to the market. Since 2018, we have been operating in Southeast Asia through FitesaCNC – a Joint Venture with CNC International.

Our headquarters is located in Gravataí (Brazil) and we have corporate offices of Fitesa in Simpsonville, SC (United States), of Pantex in Sulmona (Italy) and of FitesaCNC in Rayong (Thailand).

Our extensive geographic presence stems from an expansion process that emerged in 2009, creating opportunities to support our Corporate Vision of being the preferred choice for the supply of nonwoven solutions to the global hygiene industry.

OUR FIGURES

-  PRESENT IN **11** COUNTRIES
-  **16** MANUFACTURING LOCATIONS
-  **4** INNOVATION CENTERS AND **3** PILOT LINES
-  **#2** SPUNMELT NONWOVENS MANUFACTURER WORLDWIDE

OUR MISSION

Fitesa develops nonwoven solutions for the hygiene and healthcare industries. We manufacture and sell our products across the globe and build our business on the aligned values of the company and our employees. We are constantly seeking new ways to evolve and grow in dynamic and responsible ways.

OUR VISION

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

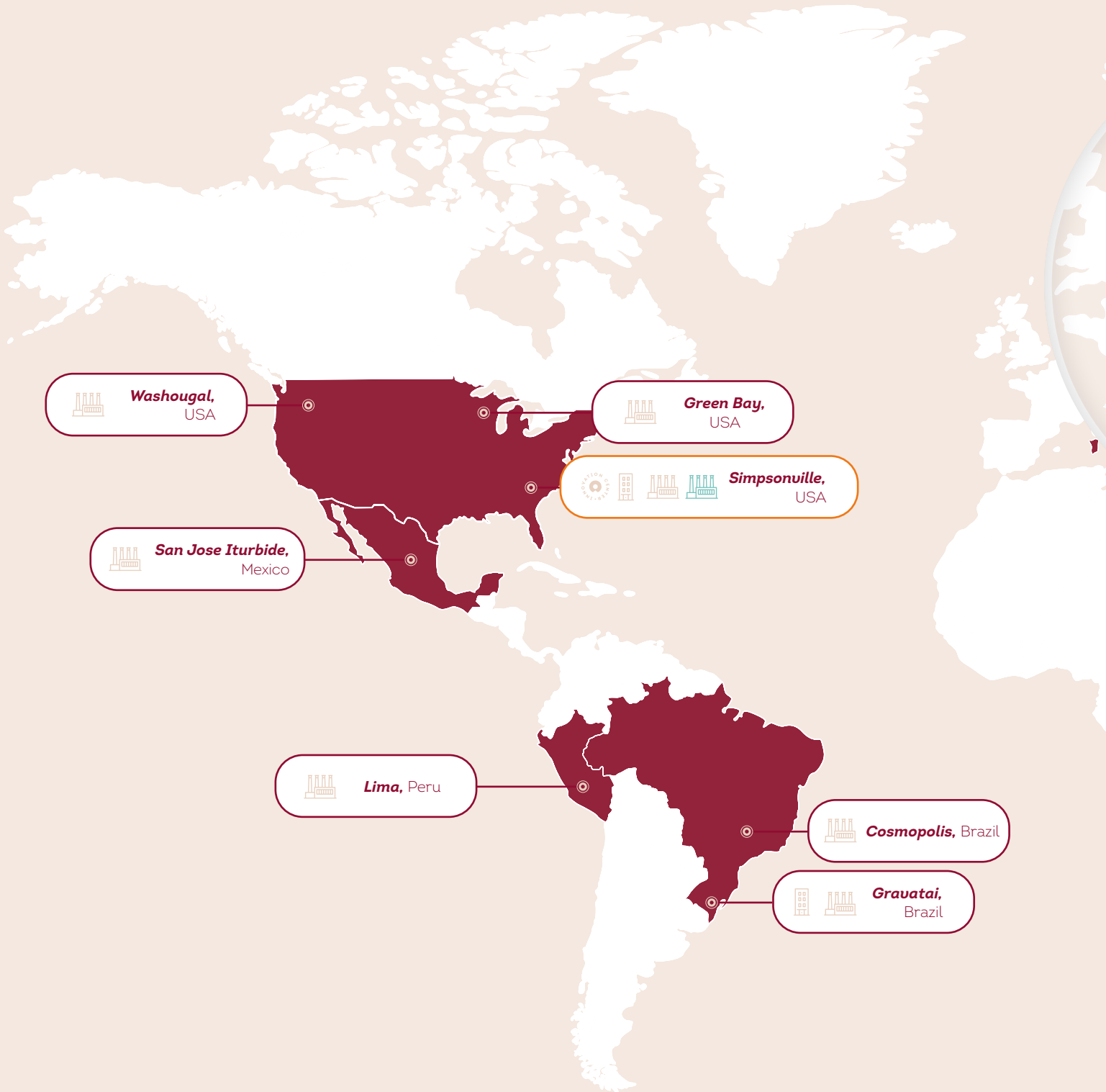
OUR VALUES

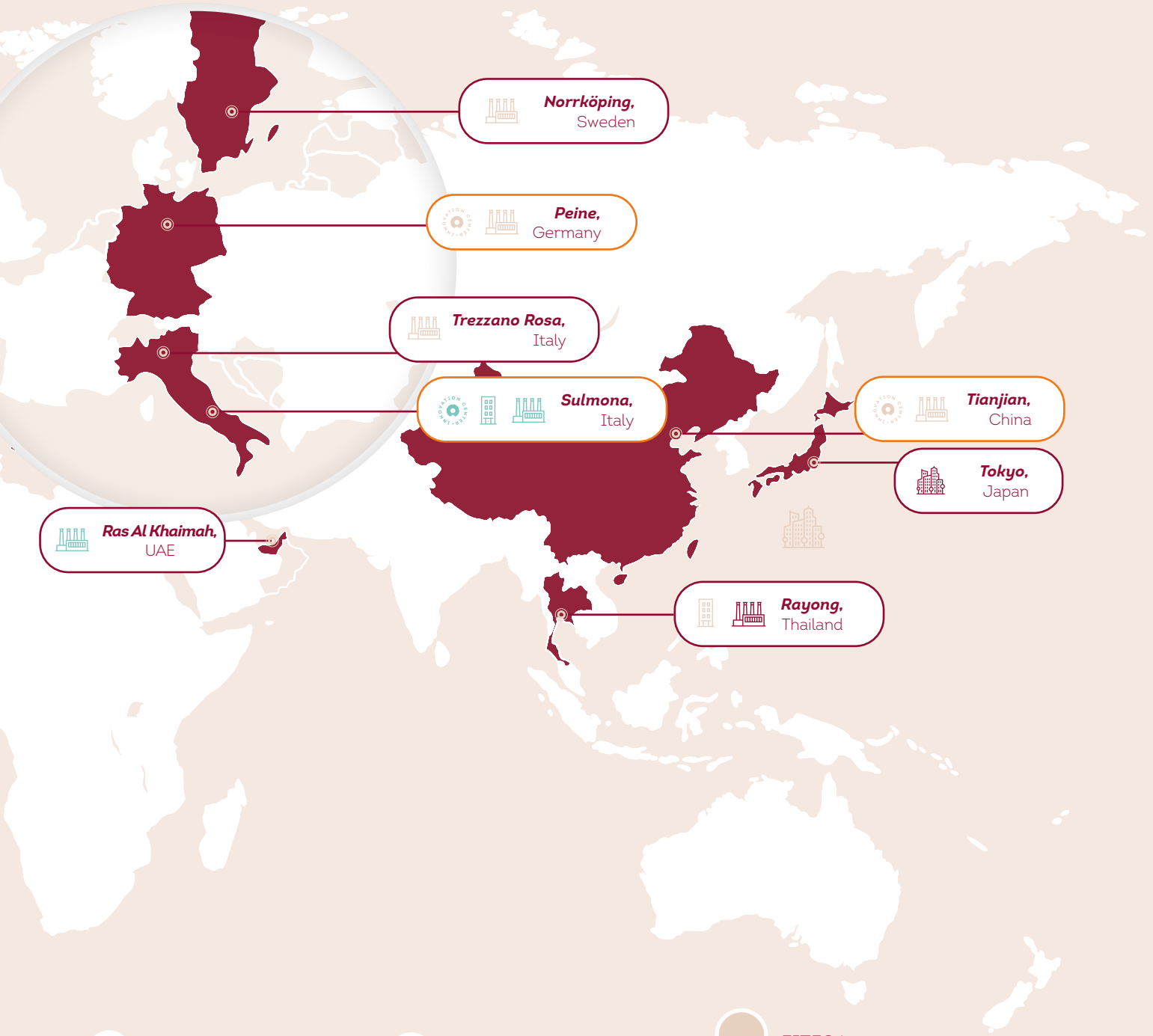
- Trust
- Simplicity and Frugality
- Respect for Individuals
- Transparency
- Honesty and Integrity

OUR MANAGEMENT PRACTICES

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

Global presence





HEADQUARTERS
OR EXECUTIVE
OFFICE



MANUFACTURING
LOCATION



FITESA



PANTEX



SALES OFFICE



INNOVATION
CENTER



FITESA CNC

Engagement with Our Stakeholders

GRI 102-40 / 102-42 / 102-43 / 102-44

Fitesa values our Stakeholders and the mutual trust and respect that has defined our relationships built through transparency. We desire to meet their needs and hopefully exceed their expectations, by engaging with them to understand what is important and resolve any concerns that need to be addressed.

Below are examples of ways, during 2019, that we engaged with our Stakeholders:



EMPLOYEES

Workplace Climate Surveys were conducted to better understand how we compared to previous year through the eyes of our employees.



CUSTOMERS

Assessment on our performance in critical areas of business are routinely gathered from our key customers who have dedicated sales and technical resources from Fitesa in continual communication.



COMMUNITY

Fitesa partners with local / regional non-profit and outreach program sponsors in the areas that we have facilities. We pride ourselves in the ability to support needs as they arise in our communities.



INVESTORS

We are a privately held business and our investors have representation on our Board to help oversee the governance of the business. We have open channel of communication regularly.



CONSUMERS

We depend on the collaboration with our customers and occasional marketing research data to better understand the consumers changing needs and desires associated with our products.

We have technical teams that work with our key customers in design of new, innovative solutions to meet end consumers and our customer's needs.



SUPPLIERS

Fitesa firmly believes the growth of our business is linked to lasting relationships that we have with our supply chain. Fair negotiation and information exchange during review cycles provide invaluable feedback from our suppliers.

Beyond the global reach, we are proud to have local procurement teams that meet with dedicated critical suppliers and stay in the forefront of improvements in the raw materials supplied.

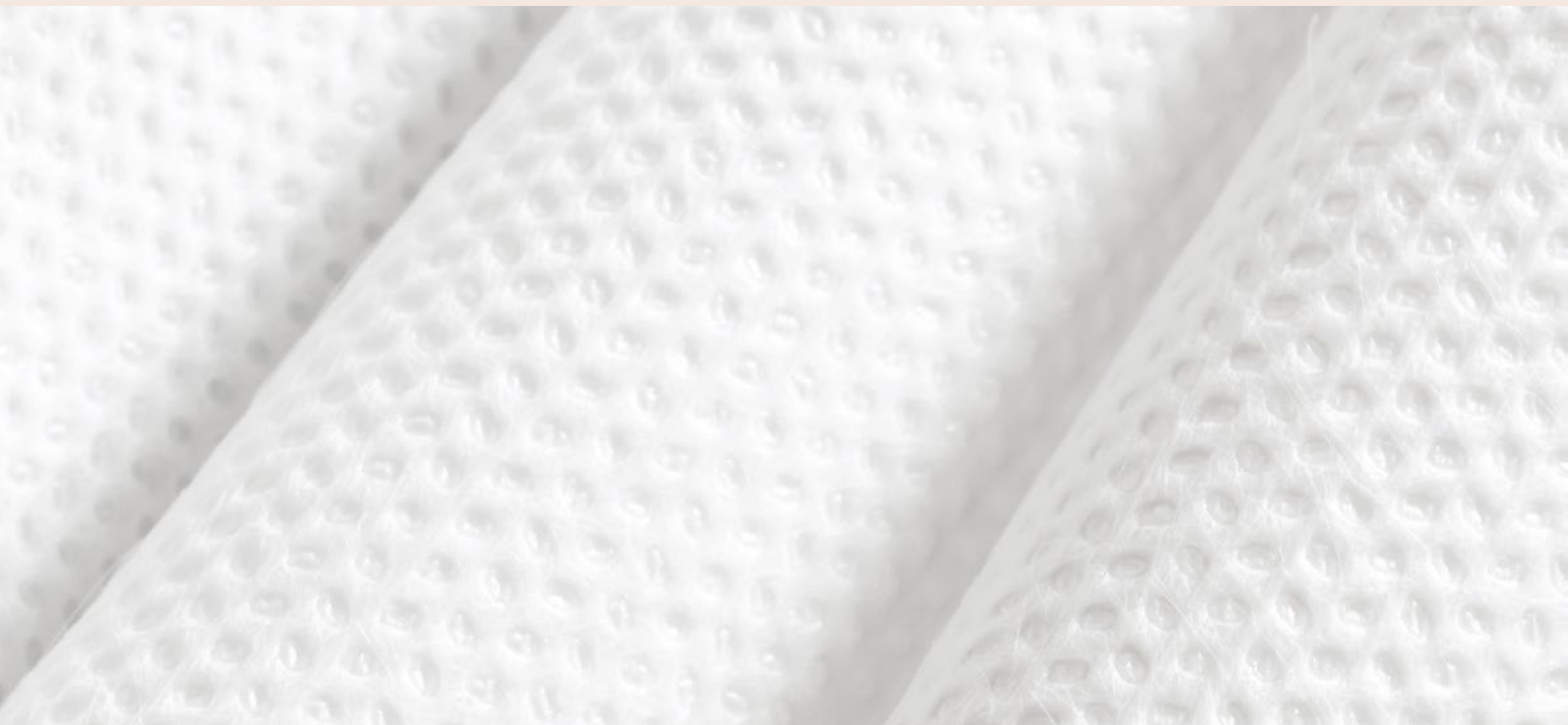
Information obtained through Stakeholder engagement is collected and discussed to ensure proper addressing of any key topics, issues or opportunities which are brought to our attention.

A primary example of this was the desire for end users to have access to more environmentally friendly products. Fitesa devoted itself to the development of these fabrics resulting in the creation of the largest biobased portfolio in the spinnmelt industry.

We listened to our employees who requested the ability to have a more engaging HR platform with cross-facility opportunities and focus on improved communication. Since the 2018 Workplace Climate Survey, a new HR technology has implemented to meet those needs and the 2019 Workplace Climate Survey confirmed improved overall results. Each Stakeholder offers unique perspective and opportunities for Fitesa to engage.

Our Market

GRI 102-6



Fitesa is recognized as a leader of innovation in the nonwovens industry and our products are commonly used by companies in many different industries for various applications. Our target market segments are hygiene, medical and Industrial applications.

Our primary market is hygiene which consists of companies that use our nonwovens for the manufacturing of disposable baby care, feminine care and adult care disposable items. We offer a broad range of materials that can be used in almost every component of these products.

Through Pantex we offer elastics, perforated or embossed films, composites and laminates. Pantex utilizes a proprietary technology to produce laminates without adhesive in their composition. Innovative developments and advances we make with our nonwoven fabrics have benefited consumers on a personal level and society as a whole.

We also supply nonwovens for the medical market. Our nonwovens are specifically used in disposable medical products, such as surgical gowns, drapes and sterilization wraps. The technology within Fitesa fabrics provide comfort, safety and reliability to the medical community and patients.

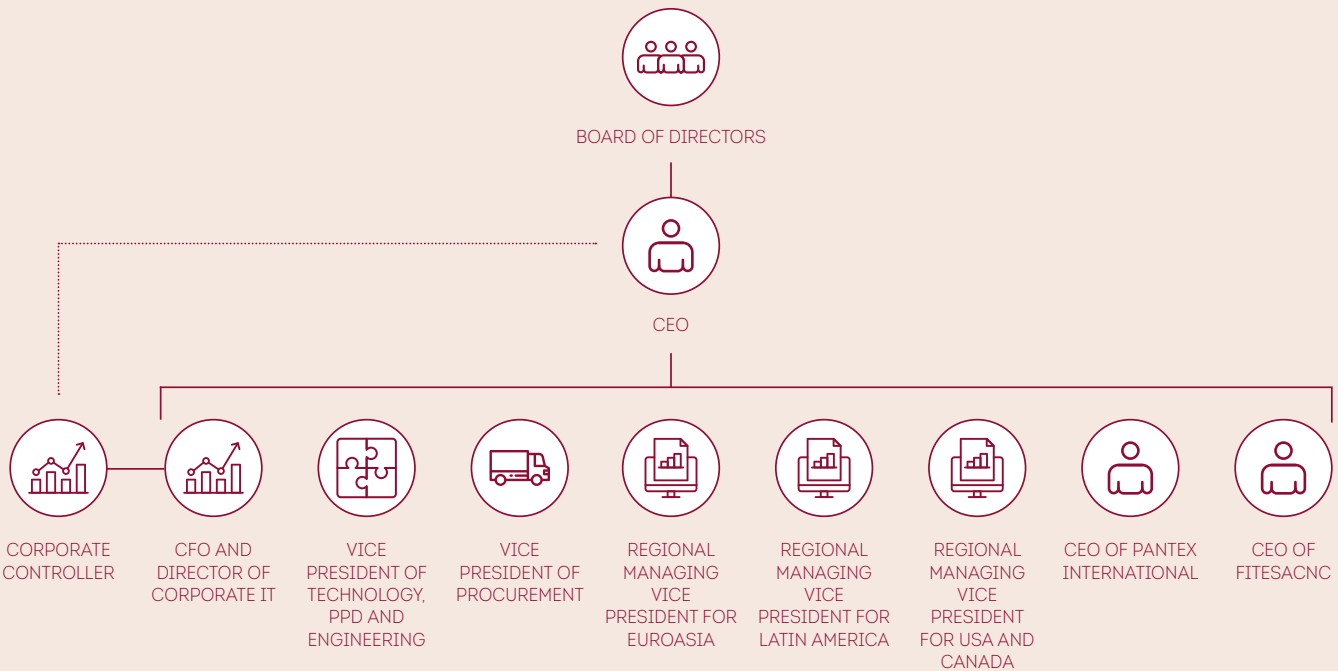
In the Industrial market, we supply nonwovens for air and water filtration, protective apparel and sorbent pads for oil and other liquid control, to produce fruit packaging, crop covers and weed barriers, among others. In some instances, our agricultural fabric can be used as a physical barrier against pests and can contribute to the creation of a microclimate that enables a potential reduction of agrochemical usage.

Corporate governance

GRI 102-11 / 102-18 / 102-19 / 102-20 / 102-22/ 102-26 / 102-29 / 102-30 / 102-33 / 102-34

As a highly internationalized company, our governance framework is uniquely structured for efficient management, transparent actions and accountable results ensuring the needs of all our stakeholders are fulfilled. Representation from each level within our governance structure plays a part in the

development of Fitesa’s strategy and clear definition of our Mission, Vision, Values and Management Practices. Any critical concern related to the business would be elevated to the highest level in our governance structure; however, in 2019 there were zero (0) critical concerns reported to the Board of Directors.



Our governance structure was designed for accountability:

- We are overseen by a Board of Directors, which includes Évora executives and board members, with two year terms;
- We maintain a constant connection between Fitesa’s Board and Évora Executives to discuss strategies, as well as, tactical and operational issues;
- Fitesa’s Executive Team present monthly results to the Fitesa Board ensuring transparent communication and oversight from top-down;
- Senior Leadership and Managers from all manufacturing locations carry out monthly results meetings, with their superiors and their teams, which include reporting critical concerns;
- Fitesa has global committees responsible for routine collaboration on best practices and sustainable efforts; and
- We invest in internal audits conducted by reputable companies that assist us with compliance and governance issues annually.

SUSTAINABILITY GOVERNANCE

Sustainability initiatives are led by Fitesa's Global Director of QA, HS&E, MS & Process Improvement with the full support of Fitesa's Executive Team and input from all global committees. Using this approach, we are able to delegate responsibility and some authority for sustainable efforts throughout all levels of the organization.

Fitesa Executive Management and the Fitesa Board are ultimately responsible for and intimately involved in evaluating and managing of economic, environmental and social impacts our business has on our Stakeholders and society. Thus, participants at each level of our governance structure are involved in the development of our sustainability strategy and management.

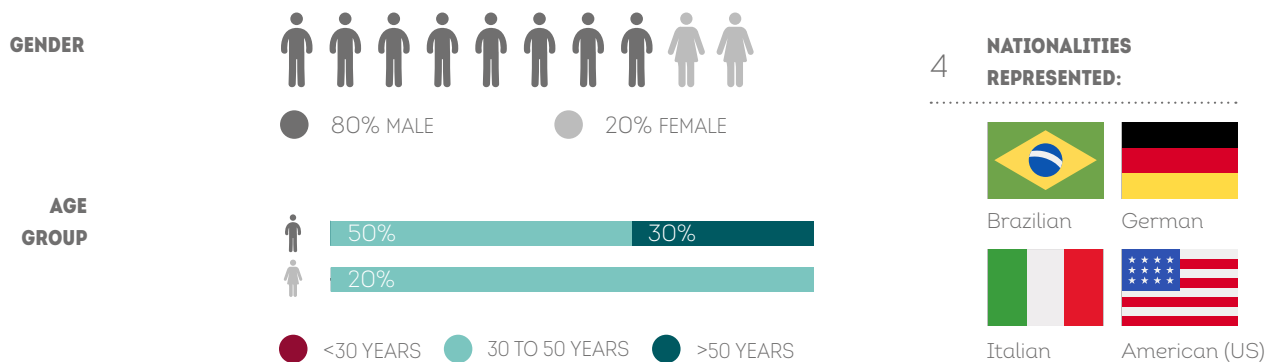
Consistent with Principal 15 of The Rio Declaration on Environment and Development, Fitesa's governing body also supports the use of precautionary principle in its approach to risk management during its strategic planning and policy implementation.

DIVERSITY OF FITESA'S CORPORATE GOVERNANCE

BOARD OF DIRECTORS



FITESA EXECUTIVE TEAM



Ethics and Compliance

GRI 102-16 / 102-17 / 103-1 / 103-2 / 103-3 / 205-2

CODE OF CONDUCT

At Fitesa, the fundamental document that guides our actions is the Fitesa Code of Conduct. The document reinforces the expectation that all employees must conduct themselves and their work with the highest standards of integrity and ethics.

Our Code of Conduct further defines our commitment to social responsibility, non-discrimination with equal treatment of all individuals, and protection of our local communities and the environment.

The Human Resources (HR) department updates the Code of Conduct as needed and discusses the content with all new employees during the on-boarding process. Company Managers are responsible for training at refresher meetings that happen periodically. In doing so, 100% of our employees are periodically trained and communicated on our Code of Conduct, which includes topics on anti-corruption and anti-bribery.

With the support of two confidential reporting agencies, we established procedures for the handling of any suspected, perceived or potential unsafe, illegal or unethical conduct. Globally, we use the hotline service ReportIt with a secondary Ethics Channel, Canal Ético, for South America employees specifically. Both of these reporting tools accepts complaints anonymously, have a document procedure for investigation and allow for Fitesa to take appropriate actions for correction.

In an effort to conduct our business with utmost level of ethical standards and full transparency; we globally relaunched the ReportIT during Q4-2019. This brought on-board the new facilities in Thailand and updated all postings throughout the facilities in their local language.

Our Code of Conduct also addresses compliance expectations related to anti-corruption/anti-bribery, political contributions, gifts and conflict of interest. Routinely, mid-level, top management and also governance bodies are required to take refresher training on topics related to anti-bribery / anti-corruption, Competition Law, and Business Ethics. Currently, 100% of the members of our governance body have been informed about our policies and procedures on the subject and, at the end of 2019, 64% had received refresher training.



Through these actions, we contribute to SDG 16 – Peace, justice and strong institutions.

POLICIES

In addition to our Code of Conduct, Fitesa maintains policies that address topics such as Anti-Harassment or Work Place Violence, Employment of Relatives and Equal Employment Opportunity. These and many other policies are inter-company published available to all employees on the Fitesa Intranet.

Fitesa has chosen to publish select policies that impact all stakeholders. Through the Fitesa website, we have published policies that govern our everyday work ethics addressing Health & Safety, Quality, Efficiency and Sustainability.



HEALTH AND SAFETY POLICY

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

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



SUSTAINABILITY POLICY

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

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



QUALITY POLICY

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

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



EFFICIENCY POLICY

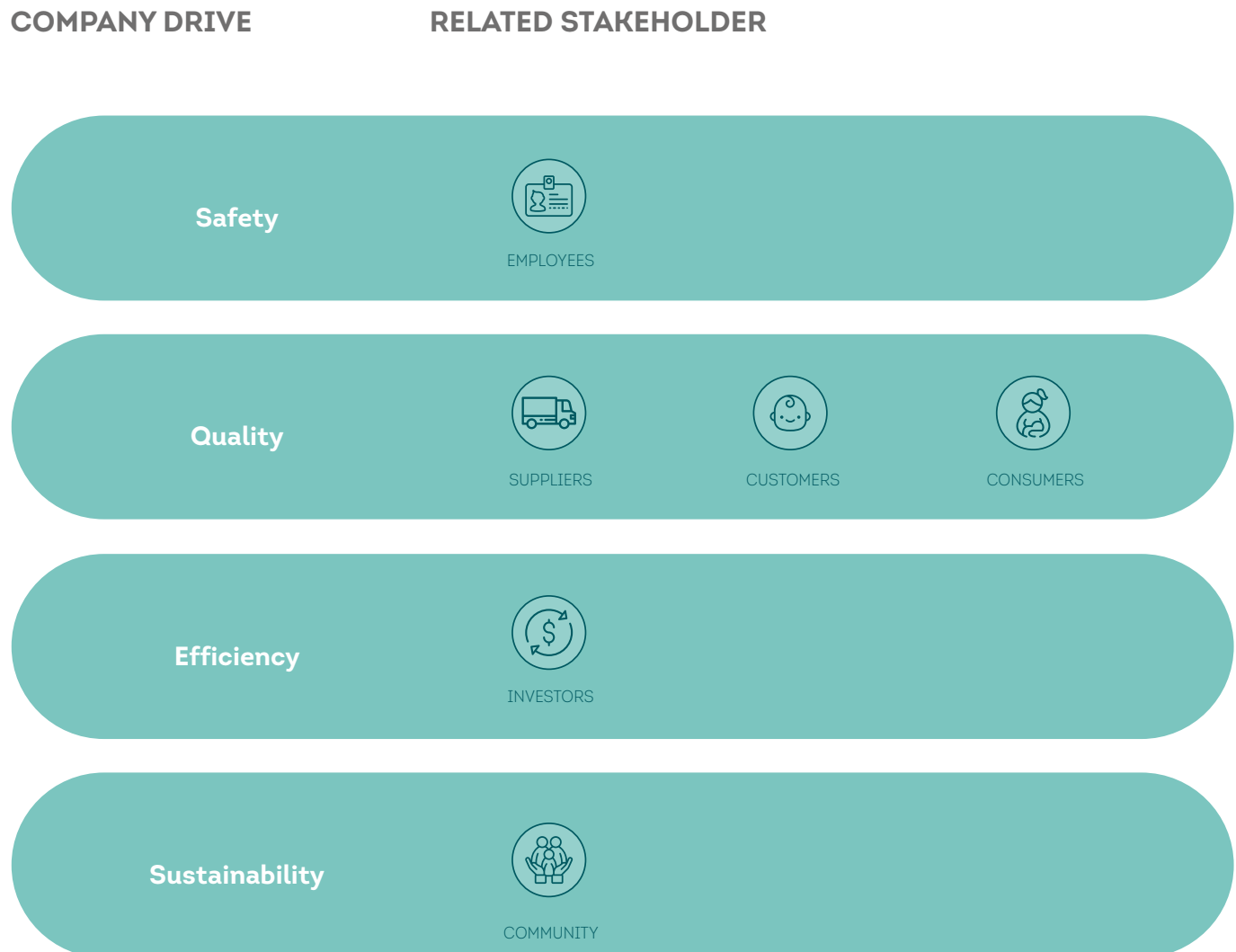
Fitesa will ensure long term success by managing our time and efforts so investments in people and resources are optimized. We will achieve this by:

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

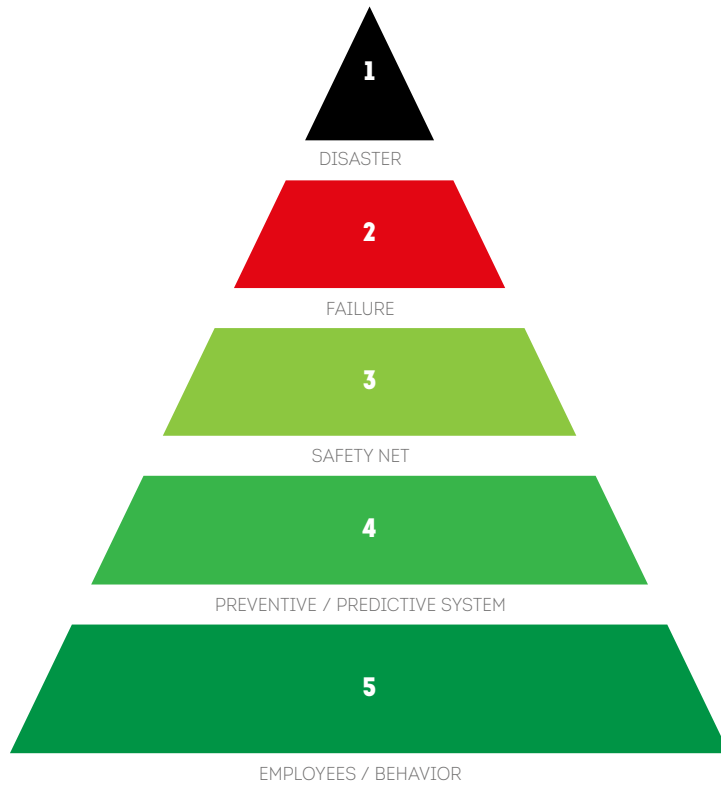
Company Drives and Operational Strategy

The Fitesa Management System (FMS) is the common name for all official policies, procedures, job descriptions etc managed as controlled documents in corporate or plant-based management systems. Jointly with the FMS, daily work routines are

defined by one or more Company Drives: **Safety, Quality, Efficiency and Sustainability**. These drives independently are related to our stakeholders while collectively they are the basis for our Operational Strategy.



OUR OPERATIONAL AND STRATEGIC PYRAMID



Best described in a pyramidal structure, our Operational Strategy is comprised of five tiers that serve a specific purpose with the largest being the base on which we must build upon in order to minimize or prevent focus needed in the upper tiers. The strategic pyramid can be applied to each of our Drives independently. Ultimately how well we implement the Operational Strategy and manage our Company Drives will have direct impact our economic performance.

- Employees & Behavior (Tier #5):** Our base tier is related to our employees and their behaviors. Our goal is to provide the knowledge and training to do things right, the right way, based on the right values. Business success is established here!
- Preventative / Predictive Systems (Tier #4):** This tier is connected to our Systems, which are designed to predict and prevent unexpected issues from arising. Having robust and systematic approaches will ensure discipline, stability and reliability in order to meet our business goals.
- Safety Net (Tier #3):** Our mid-level tier focuses on being a Safety Net, through which we identify weaknesses in our lower tiers and establish countermeasures before they lead to the higher tiers, failures or disasters, negatively affecting our business health.
- Failure (Tier #2):** This tier represents a flaw in our strategy or the execution of our strategy, known as a Failure. If we must focus time and attention to this tier, we have experienced a breach in one or more of our lower tiers which has to be identified and corrected.
- Disaster (Tier #1):** The top of the pyramid is known as the Disaster Zone. We want to avoid this area and use the lower tiers of our structure to develop, train, test and improve our processes and habits. Longevity and economic vitality of the business is dependent on never operating in this tier.

Economic Performance

GRI 103-1 / 103-2 / 103-3 / 201-1

The economic success of our business is essential to sustaining long term operational, geographic and financial growth. Fitesa operates with a clearly defined, globalized standard of management practices that guide the running of our business.

By applying the same policies, practices and procedures we operate globally as one company; however, regional factors can cause variances in economic performance from region to region despite our globalized approach.

External factors such as governmental regulation and trade tariff changes, raw material price and supply fluctuations and regional specific market saturation had direct impact on Fitesa's closing performance. Net sales for 2019 exceeded US\$ 980 million, which was much better than the previous year; however, still not a direct reflection of Fitesa's full potential.

As a privately held business and for strategic reasons, we do not disclose details regarding financial data, including those related to the generated and distributed value.

Net sales for 2019 exceeded US\$ 980 million, which was much better than the previous year; however, still not a direct reflection of Fitesa's full potential.



3

CHAPTER

GROWTH

Expansion

Employment & Diversity

Training

Expansion

Fitesa has steadily been expanding operations globally since 2009. Through capacity increase, joint venture, acquisitions, or green-field construction, Fitesa’s expansion has continued to broaden the geographic footprint, product diversity and production capacity available.

Our growth strategy is based on a straightforward guideline: *being close to where our products are demanded*. By operating in the same regions where our clients operate, we can provide expedited delivery, local customer service and innovation that meets regional specific needs, while reducing our transportation related carbon footprint. Our current operation covers 11 countries with continuous production 24 hours a day, seven days a week.

CAPACITY INCREASE

To satisfy the rising demand from customers, Fitesa may elect to increase production capacity through procurement of new machines, modification to existing lines and, in some instances, new facility construction.

During the year, expansion materialized at Pantex’s Sulmona (Italy) plant. Its production capacity was increased for carded air-through bonded (ATB), elastics and laminates allowing us to better meet our customer’s needs for specialized products.

We have further realized additional capacity from recent expansion processes at our Simpsonville, SC (USA) and Peine (Germany) facilities.

JOINT VENTURE

In 2019, we consolidated production and operation of the FitesaCNC joint venture with CNC International, which was announced in 2018. In addition to our entry into the Southeast Asian market, one of the fastest developing markets in the world, we sought to blend cultures across companies, which was encouraged by the election of a CEO with considerable experience at Fitesa to head the business.

FitesaCNC’s experience in Japan and SouthEast Asia specifically enrich our customer portfolio and market understanding. Local results in terms of sales, production and business integration have been according to projections.

OUR GEOGRAPHIC EXPANSION

1973



FITESA IS FOUNDED IN BRAZIL

2009



UNITED STATES



MEXICO

2011



SWEDEN



GERMANY



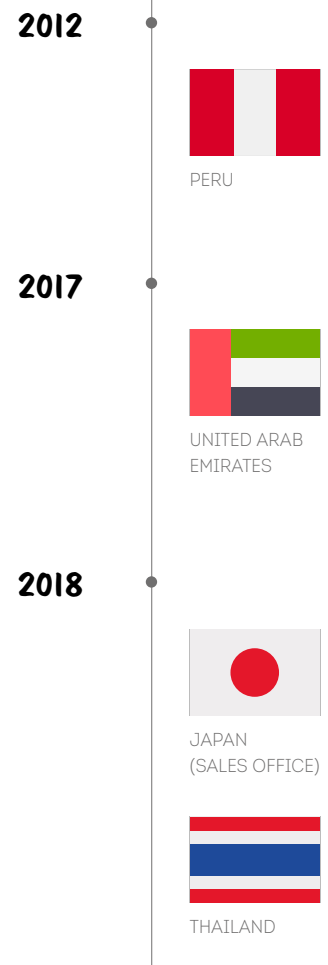
ITALY



CHINA

FitesaCNC has also initiated the process of expansion in Thailand to double production capacity and meet the growing demand from local markets.

We predict the new machine to commence running by 2020, reaching regular production capacity mark after 2021.



ACQUISITION

Our latest announcement in expansion reached the press in December of 2019. Fitesa confirmed the purchase of Freudenberg PM’s South American hygiene business, located in Jacareí, São Paulo, Brazil. This acquisition adds a state-of-the-art facility to Fitesa’s portfolio and provides a well-trained, established employee base at the facility.

On February 3, 2020 the purchase was finalized and closed, following the approval by anti-trust authorities. This acquisition increases Fitesa’s production facility count to 16 globally, 4 within South America.



Employment & Diversity

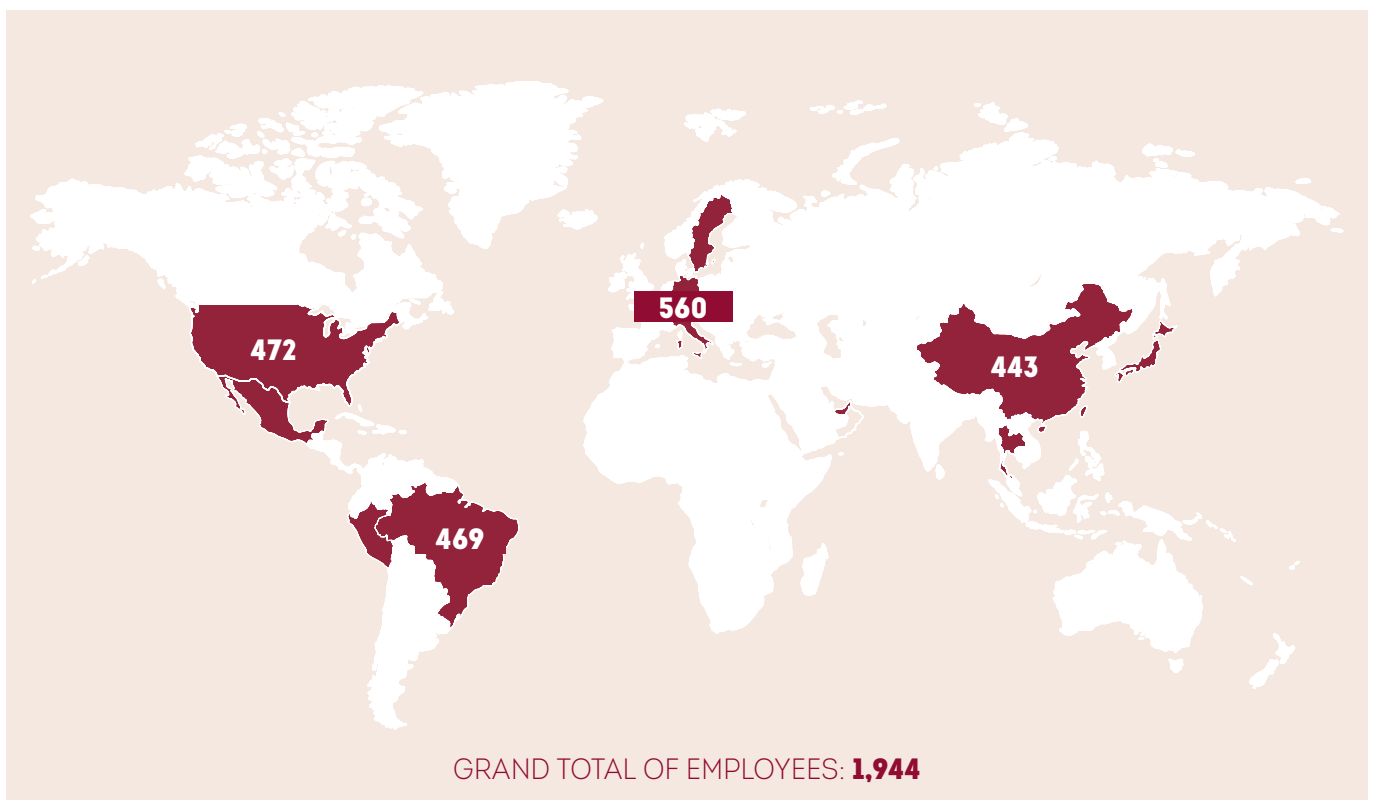
GRI 102-8 / 102-41 / 103-1 / 103-2 / 103-3 / 401-1 / 401-2 / 405-1

Considering expansion aforementioned, by early 2020 Fitesa will employ over 2000 employees globally with diverse ethnic backgrounds and technical expertise. We believe every employee plays an important role in our overall success so we are committed to develop and retain our people. We value our employees and consider our primary social contribution to be income generation for improved quality of life in the communities and regions where we operate.

Our history includes internal promotion of interns into management positions, temporary or seasonal employees hired into full time positions and management level employees promoted into Executive positions, leading the company into the future. Before the acquisition of Jacarei facility, we had 1944 employees in our global operation.

We have an Equal Employment Opportunity Policy, which supports recognition based purely on meritocracy.

DISTRIBUTION OF OUR EMPLOYEES



EMPLOYEES IN 2019

	MALE	FEMALE	TOTAL
By working time			
Full time	1,595	332	1,927
Part-time	6	11	17
By contract type			
Temporary	122	16	138
Permanent	1,479	327	1,806

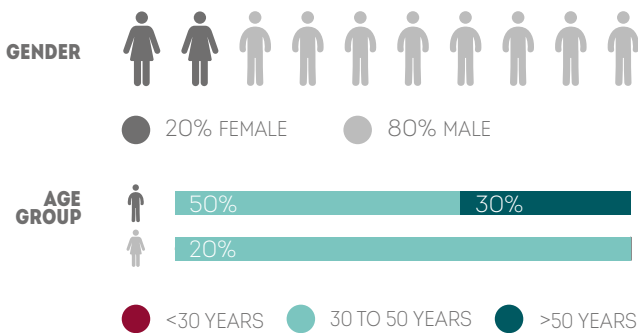
Fitesa participates in collective bargaining in multiple countries where either Trade Unions or Employee Unions are present: United States, Europe, Brazil, Mexico and China to name a few. A total of 66.5% of Fitesa workforce is covered under collective bargaining agreements. Fitesa is committed to participate in these negotiations to ensure proper adherence to local laws, find common

ground with Trade Unions and in good faith regulate relations between our employees and the Company.

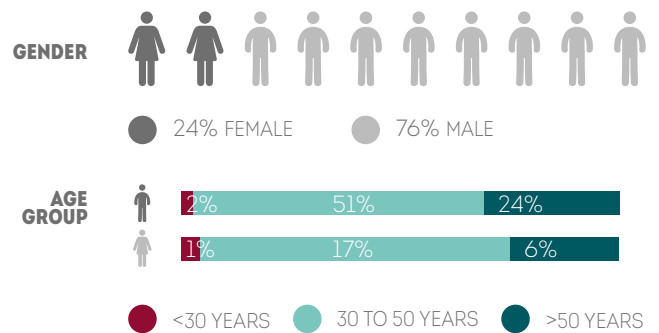
Because we are present in 11 countries, diversity is an intrinsic element in our business and an indivisible part of our culture.

DIVERSITY OF FITESA EMPLOYEES

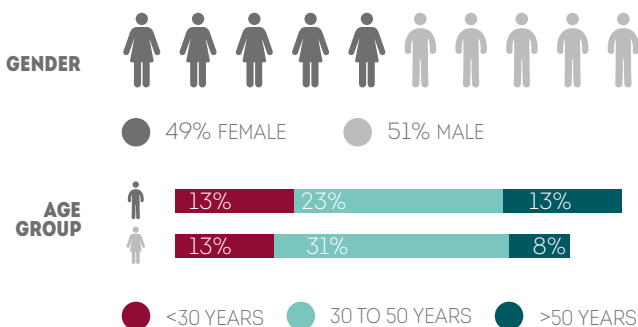
EXECUTIVE MANAGEMENT (10 EMPLOYEES)



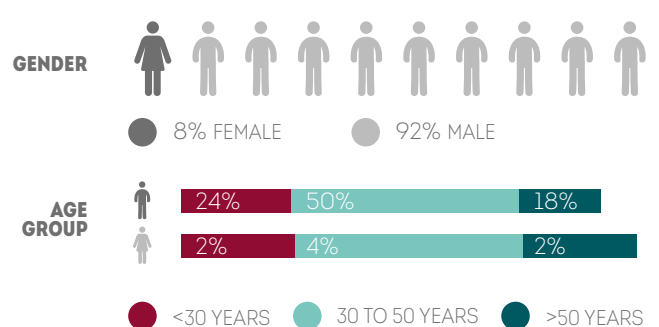
SENIOR/MIDDLE MANAGEMENT (156 EMPLOYEES)



OFFICE / CLERICAL (210 EMPLOYEES)

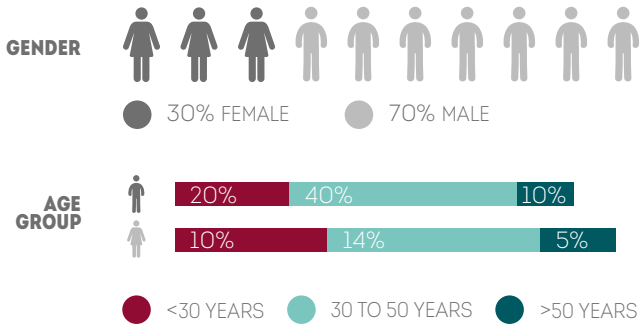


OPERATORS (1,274 EMPLOYEES)

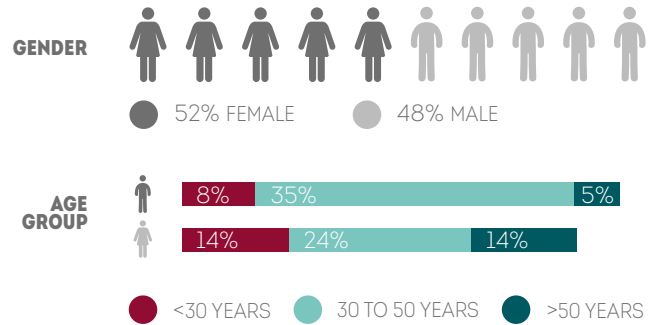


GROWTH

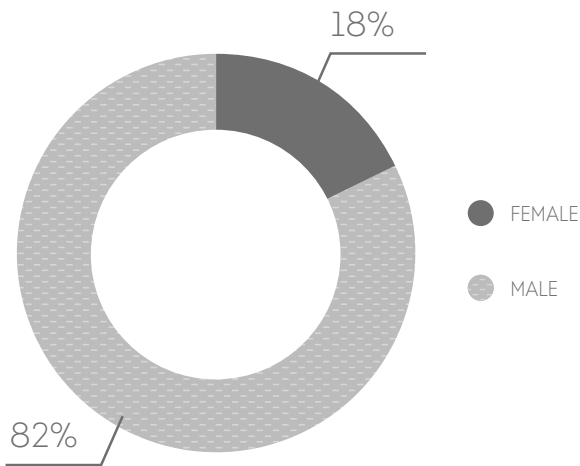
PROFESSIONAL (257 EMPLOYEES)



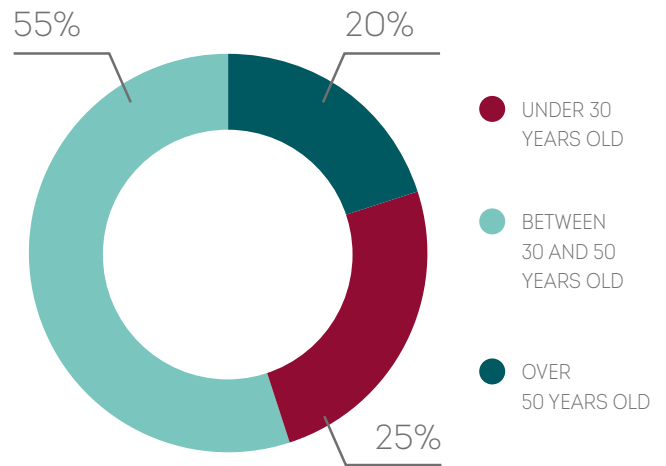
SALES (37 EMPLOYEES)



TOTAL GENDER



TOTAL AGE



Through these actions, we contribute to SDG - Decent work and economic growth.

Our Human Resources professionals located across the globe are trained and specialized in the laws and culture of their countries. We are an equal opportunity employer that does not discriminate and our policies dictate recognition based purely on meritocracy.

Our Code of Conduct furnishes guidelines for non-discrimination and equal treatment of all employees regardless of gender, gender expression, marital status, sexual orientation, disability, health status, race, color, ethnicity, culture, language, religion, political opinion or other nature, national or social origin, wealth, birth, or any other condition.

During the year, we hired 331 employees, with a hiring rate of 16.8%. Our hiring rate is up from previous years directly following expansion realization.

JOB CREATION

	TOTAL HIRES	TERMINATIONS	HIRE RATE	TURNOVER
By region				
North America	174	137	37%	29%
South America	84	50	18%	11%
Eurasia	73	54	7%	5%
By gender				
Male	284	207	18%	13%
Female	47	34	14%	10%
By age group				
Under 30 years old	170	87	36%	18%
Between 30 and 50 years old	146	120	14%	11%
Over 50 years old	15	34	4%	9%
Total	331	241	17%	15%

By generating jobs, we bring development to the communities where we operate, boosting their economy. In addition to payment in salaries, we offer

employees and their families a series of benefits, in accordance with local legislation, which reinforce our ability to positively impact the entire region.

BENEFITS OFFERED TO FULL TIME EMPLOYEES

LOCATION	LIFE INSURANCE	HEALTH INSURANCE	INSURANCE FOR DISABILITY	PARENT LEAVE	RETIREMENT
Green Bay (USA)	✓	✓	✓	✓	✓
Simpsonville (USA)	✓	✓	✓	✓	✓
Washougal (USA)	✓	✓	✓	✓	✓
San Jose Iturbide (MEX)	✓	✓	✓	✓	✓
Grauatá (BRA)	✓	✓	✓	✓	✓
Cosmópolis (BRA)	✓	✓	✓	✓	✓
Lima (PER)	✓	✓	✓	✓	✓
Norrköping (SWE)	✓	✓	✓	✓	✓
Peine (GER)	No	✓	✓	✓	✓
Trezzano Rosa (ITA)	✓	✓	✓	✓	✓
Tianjin (CHI)	No	✓	✓	✓	✓
Pantex Sulmona (ITA)	✓	✓	✓	✓	✓
Pantex Mena (UAE)	No	✓	✓	✓	No
Pantex Simpsonville (USA)	✓	✓	✓	✓	✓
FitesaCNC (THA)	✓	No	✓	No	✓

Training

GRI 103-1 / 103-2 / 103-3 / 404-1 / 404-3

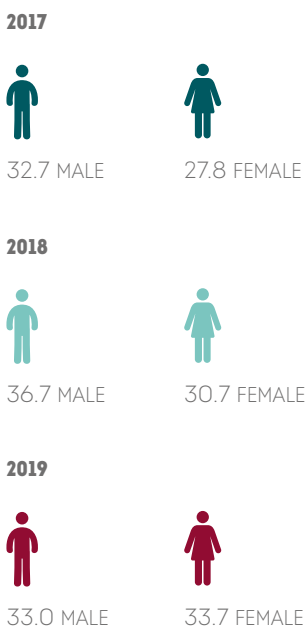
At Fitesa, we believe training our employees supports the longevity of our business and makes a significant investment in generating employee happiness with their job leading to higher retention rates. With that in mind, we promote training opportunities throughout all levels of the organization.

A wide variety of training is focused at the local level. Each facility has the autonomy to establish training plans that address the needs of its employees and regional specifics. While other trainings are encouraged on a global scale to share best practices and promote hands-on experience. We have proven the ability to shorten the learning curve for new machinery or facility start up through hands-on, cross facility training.

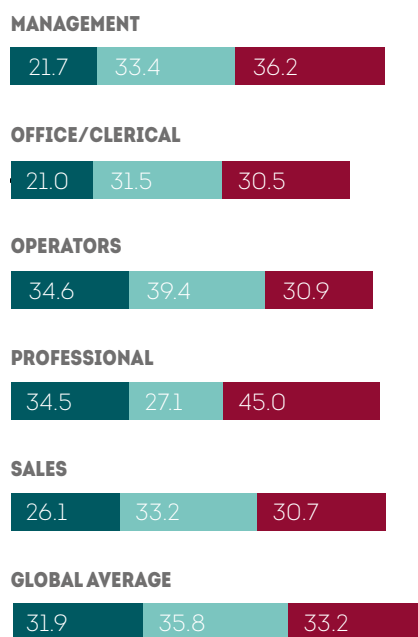
GLOBAL MEETING

Every year in Porto Alegre (Brazil), Évora holds an Annual Leadership Meeting, bringing together senior management from all companies that are part of the Holding, in order to exchange experiences and deepen the understanding of the Group's strategies.

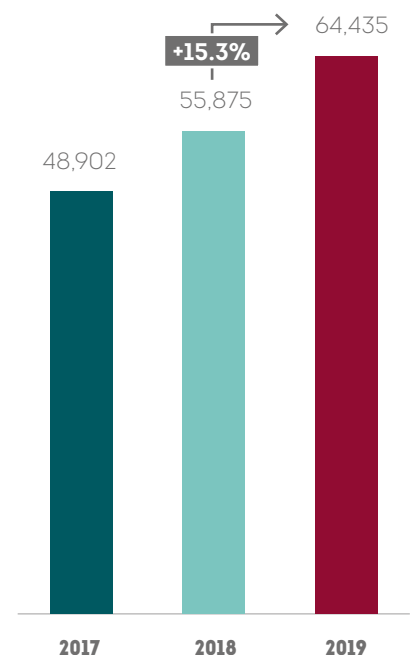
AVERAGE TRAINING HOURS BY EMPLOYEE GENDER



TYPE OF EMPLOYEE



YEAR OVER YEAR TOTAL HOURS



● 2017 ● 2018 ● 2019

Examples of regional training that took place during 2019 include:

- Fitesa Simpsonville partnering with GTC Economic Development and Corporate Training to conduct Yellow Belt training for 20 select employees;
- Fitesa Sweden trained employees who are exposed to sensitive data or personal information on the newest laws and regulations of handling the data; and
- Fitesa Mexico led software knowledge and training sessions for their employees following a new ERP system implementation.

Training hours are recorded at each facility by employee and training topic then audited annually as part of the Fitesa Management Systems internal audit process. In 2019, we increased our total hours of training globally to 64.4K hours an increase of 15.3% from previous year.

Additionally, we have six committees that meet regularly to share best practices on issues such as Quality, HSE and Process and Maintenance Efficiency. These committees have representatives from all facilities and from corporate. The committees either meet monthly or rotate on a quarterly schedule.



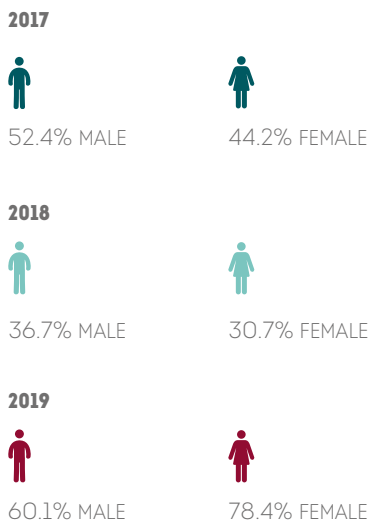
Through these actions, we contribute to SDG 4 - Quality Education.

In order to encourage the development of our employees, Fitesa has an annual procedure for evaluation of performance by the individual and region according to predetermined Key Performance Indicators (KPIs). These help evaluate each individual according to the Company's results and their personal goals. Operational employees are also evaluated at each plant, according to the local methodology. 62.6% of our total employee base received annual performance reviews in 2019.

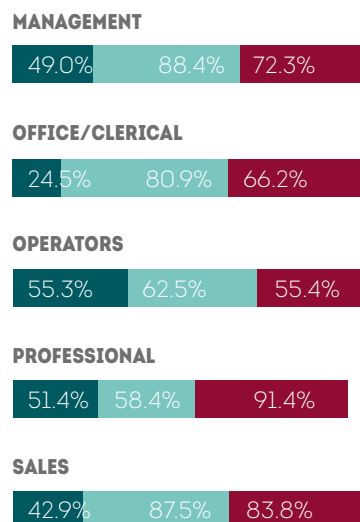
PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE REVIEWS

● 2017 ● 2018 ● 2019

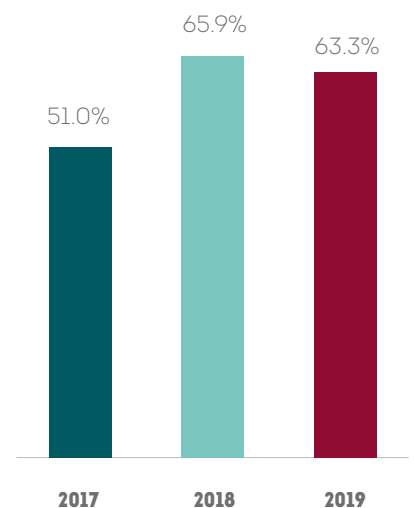
GENDER



TYPE OF EMPLOYEE



YEAR OVER YEAR TOTAL





4

CHAPTER

SOLUTIONS AND INNOVATION

Our Technologies

Awards

Our Solutions

Innovation

Quality

Our Technologies

GRI 102-2

At Fitesa, we are focused on different technologies for the production and development of nonwoven fabrics, with unique properties specific to applications desired in the market. We improve the daily lives

of consumers by providing our customers with high quality, innovative raw materials for most of the world's absorbent hygiene products, as well as medical and industrial applications.



SPUNMELT

Spunmelt nonwovens are produced through the extrusion of a variety of polymers, such as polypropylene (PP), polyethylene (PE), or polylactic acid (PLA), into filaments that are consolidated thermally into a flexible, fabric-like web with excellent mechanical properties.

Spunmelt fabrics are used in the hygiene, medical, and industrial markets, offering a wide range of physical and aesthetic properties.

We are the second largest spunmelt manufacturer in the world. Most of Fitesa operations manufacture these products, with the exception of the facilities in Tianjin (China) and Green Bay (United States), and the recently acquired facility in Jacareí, (São Paulo, Brazil).

We have expertise in the production of bicomponent nonwovens, composed of more than one raw material (such as PE/PP) and in the processing of renewable source resins (such as PLA and Bio PE). We have the largest installed bicomponent spunbond production capacity in the world offering multiple colors, bond patterns and other properties.

Additionally, with the startup of the new line in FitesaCNC (Thailand) projected for 2020, we will be able to produce bico products in all four continents where we operate.

CARDED

Carded nonwovens are produced from the consolidation of a variety of fibers, such as PP, PP/PE, PE/PET bico, PET, PLA, Rayon and cotton, into a soft, lofty web through chemical, mechanical or thermal processes. Fitesa employs air-through bonding (ATB), Resin bonding (RB) or Thermal bonding (TB) technologies in its production process.

Carded fabrics are widely used in hygiene products, especially in stretch ears and acquisition and distribution layers of disposable diapers.

Machines installed in Green Bay (United States), Simpsonville (United States), Gravataí (Brazil), Sulmona (Italy) and Tianjin (China) are all focused on Carded production; as well as, the recently acquired facility in Jacareí, (São Paulo, Brazil).

AIRLAID

Airlaid nonwovens are produced from fluff pulp and consolidated into a web through chemical or thermal methods and can be further enhanced with Super Absorbent Polymer (SAP) for superior absorbency.

Airlaid fabrics are ideally suited for feminine hygiene and diaper product applications, high quality dry or pre-moistened wipes, as well as dry converted products for food pads, tabletop, and medical substrates due to their unique combination of physical properties.

Fitesa's unit in Tianjin (China) produces several types of airlaid nonwovens, including Multi-Bond, Latex-Bond, Thermal-Bond and Hydrogen Bonded Airlaid.

OTHER

Elastics, Perforated & Embossed Films, Composites and Laminates are all available through Fitesa. Our Pantex facilities apply a combination of technologies to produce specialty products that are designed to meet specific applications and design requirements in the hygiene and medical markets. Pantex utilizes a proprietary technology to produce laminates without adhesive in their composition.

Pantex facilities in Simpsonville, SC (USA), Sulmona (IT) and Ras Al Khaimah (UAE) are all equipped to produce nonwovens using a subset of these other technologies.

Fitesa Gravataí (Brazil) also operates a lamination line that uses adhesive to join two or more substrates, combining their properties.

Spunbond-film laminates, for example, are waterproof fabrics, breathable or non-breathable, with the soft touch of a nonwoven. They are often used in medical applications. Also, in Gravataí (Brazil), we produce meltblown for air filtration and liquid adsorption.



Awards

Fitesa products have been nominated and possess some of the most prestigious awards in the nonwoven’s industry.



Hygienix Innovation Award

Fitesa SMS Bico, which combines the strength of polypropylene with the softness of polyethylene, in an SMS configuration was a finalist at the 2019 Hygienix Innovation Award Nominee. The award recognizes innovations promoting the expansion in the use of nonwovens within the value chain of hygienic disposables.



Rise Innovation Award

The innovative aspects of our 100% BioBase BioPE / PLA product were recognized by INDA (Association of the Nonwovens Industry) through the RISE 2015 Durable Product Award.



Idea Achievement Award

In 2019 we won the IDEA 2019 Achievement Award, Roll Goods category, for Fitesa 100% Biobase PLA Soft

The product is manufactured with 100% renewable and compostable resin, produced from lactic acid extracted from plant glucose.

Our Solutions

Our diverse product portfolio offers solutions that are tailored to meet the specific requirements of the different market segments we serve.



Standard Products

Conventional nonwoven fabrics produced with the highest quality standards.



Visual Differentiation

Fabrics, Films and Laminates with the additional benefit of visual distinction.



Softness

Nonwoven and laminates designed to deliver exceptional softness to a wide range of applications in multiple markets.



Environment Friendly

Solutions for all markets that consist of different levels of renewable content up to 100%.



Skin Care

Nonwovens incorporated with beneficial elements such as moisturizers and antibacterial predominately for the hygiene market.



Extensible & Elastic

Nonwovens, films and laminates for a wide range of applications requiring various degree of stretch and extendability. Transformed the baby care and adult care markets with extensible waste bands, side panel and tabs.



High Opacity

Nonwoven and laminates with higher opacity and masking effect used in topsheet feminine hygiene products.



Medical Protection

High protection nonwoven and laminates for single-use gowns, drapes and sterilization wraps in the medical market offering comfort, safety and reliability.



High Tensile

Solutions with improved tensile strength used across all markets and applications.



Industrial Specialties

High performance nonwoven solutions for a broad range of industrial applications.



UV Protection

Solutions for mulching, crop cover and fruit packaging in agricultural applications.



Fluid Management

Nonwovens and films to address the need for acquisition and distribution of liquids. Used predominately as absorbent core or ADL in single use hygiene products.

Innovation

GRI 102-21



Through the work of our innovation centers, we contribute to SDG 9 - Industry, Innovation and Infrastructure.

The needs of our customers and end consumers are constantly evolving. Accordingly, we invest heavily in research and development, taking innovation as an essential part of our corporate identity.

Fitesa is the only spunmelt manufacturer with four (4) innovation centers and three (3) pilot lines capable of replicating the same production conditions of our commercial lines, which guarantees precision and speed in the development, testing and commercialization of solutions.

Our Innovation Centers are located in Peine (Germany), Sulmona (Italy), Tianjin (China) and Simpsonville (USA). Strategically located, these Centers have brought innovation closer to our worldwide customers.

OUR INNOVATION CENTERS AROUND THE WORLD: COVERING 3 MAJOR TIMES ZONES



Fitesa Peine, Germany



Fitesa Sulmona, Italy (Pantex)



Fitesa Tianjin, China



Fitesa Simpsonville, United States

Our innovation never sleeps; reaching from China to the US through Europe there is always an open Fitesa innovation center across the world. We rely on advanced laboratories, innovative scientists and skilled engineers for research and development of new solutions and materials in line with customer needs.

Our pilot line in the United States is the first Reicofil Full High Loft machine in operation in the world, with capacity to produce soft, bulky nonwovens, bridging the distance between the spunbond and carded technologies.

Fitesa is proud to be recognized as one of the most innovative companies in the markets we supply and our products have been nominated or possess some of the most prestigious awards within the nonwoven industry.

NEW PRODUCTS

As a result of our innovation process, we bring the most modern and most demanded products to our customers. Fitesa currently holds 195 patents in 22 countries on 6 continents.

Most recently, Fitesa introduced a new wave of innovation to the market with our breakthrough in 100% Polyethelyene (PE) spunmelt production and expectations are high for future years as this nonwoven transforms the hygiene market. Fitesa S 100% PE and Fitesa S 100% Green PE are already commercially produced through FitesaCNC for the SouthEast Asian market.

Also worth mentioning is the launch of Fitesa SMS Bico, a nonwoven that broke one of the last barriers for softness in AHP products: soft leg cuffs for diapers. Fitesa SMS Bico also enables the increase of sustainable content with the use of biobased resins and improves bonding with other PE BiCo structures.

Through Pantex, Fitesa offers highly innovative, specialized and differentiated products to the market. Pantex reinforces products from other technologies, customized to meet customers' needs. Highly technical diversification of elastics products has allowed Fitesa and Pantex joint development of a soft polyethylene elastic with improved elongation commercialized during 2019 at extraordinary speed. Expectations are up with this new line of elastics and realization of geographic growth in areas demanding these new technologies.

Our innovative nonwoven solutions make work easier and life better.

SUSTAINABLE SOLUTIONS

For over ten years, we have directed our innovation efforts toward producing nonwovens made from renewable sources. As a result, we now offer many solutions which replace the use of non-renewable resins, based on oil and natural gas, mitigating the environmental impact from our activity.

Fitesa has launched a series of products made from Bio PE and PLA, using them in combination with our different raw materials applying bicomponent technology. We have also successfully produced a series of 100% biobase products.

Bio PE

POLYETHYLENE FROM SUGAR CANE.



PLA

RESIN DERIVED FROM CORN



Over the past three years, our use of renewable raw materials have been steadily increasing and reached over 20 million kg annually, about 0.06 kg per kg Q1 produced. Sales continue to trend upward on these products as consumers become more aware of need to use sustainable alternatives. Currently, Fitesa holds the largest biobased portfolio in the spunmelt industry.

Although, according to the British Plastic Federation, only 4% of global oil production is destined for plastics, we continue to work to increase the use of "green" raw materials in our products.



Through these actions, we contribute to SDG 12 – Responsible Consumption and Production.

Quality

GRI 102-33 / 103-1 / 103-2 / 403-1 / 416-1

At Fitesa, we recognize that the most effective way to carry out our vision of being the preferred choice in the market is through excellence in the quality of our processes and products. Our quality policy reinforces the commitment we have to the customers we serve and consumers who use products made from our raw material nonwovens. Our intention is to deliver quality products every time; therefore, we invest heavily in quality technologies, assets and training.

To maintain a strong Quality performance, Fitesa has created several corporate QA-systems to populate the fourth tier of the strategic pyramid for Quality-preventive / predictive systems (learn more on page 25). These must be implemented at each site.

- Risk assessment (FMEA);
- Process Control;
- Validation/change control;
- In line QA systems like Web Inspection Systems (WIS), basis weight measurement or metal detection systems;
- Standardization, meaning implementing the same procedures and setup within each facility manufacturing the same products. This enables us to supply the same product from any facility: “Global products for global customers”; and
- Testing and Material Release (traditional QC).

Most of our nonwovens are utilized in the composition of products such as baby diapers and feminine care, which come into direct contact with end consumers’ skin. Accordingly, we pay major attention to the safety of our nonwovens, notably with respect to their chemical composition and the existence of undesired substances.



We have a regulatory department dedicated to taking care of legal and product safety requirements. We carry out strict product safety tests in the raw material components in 100% of our products categories, to evaluate properties ranging from toxicity to irritability upon skin contact, where there are requirements for this.

During 2019, Fitesa spearheaded a pilot project within our European operations aimed at taking our nonwovens and reducing the content of unwanted Substances of Interest (SOI). The SOI project builds on our existing adherence to all applicable legal requirements and aims at eliminating the content of SOI as far as possible. Run in conjunction with key suppliers, the project with expected outcomes will become a clear corporate strategy regarding SOI in the near future.

To ensure our customers have access to the same products, with the same quality, process standardization is a priority of our management and closely monitored based on the growth and capacity increases realized over the past years. Every year we carry out a stringent internal audit at each plant, through which we verify the fulfillment of normative and client requirements. This analysis assures conformity with the pertinent safety, quality and sustainability requirements, summed up by our FMS.

Moreover, some units opt for external certifications, according to relevance at the local level.

CERTIFICATION		WHICH PLANTS HAVE IT?
	ISO 9001:2015 Product Quality	<ul style="list-style-type: none"> • Tianjin (CHI) • Peine (GER) • Pantex Sulmona (ITA) • Trezzano Rosa (ITA) • Norrköping (SWE) • Washougal (USA) • Gravataí (BRA) • FitesaCNC Plants 1 and 2 (THA)
	ISO 14001:2015 Environmental management System	<ul style="list-style-type: none"> • Peine (GER) • Pantex Sulmona (ITA) • Trezzano Rosa (ITA) • FitesaCNC Plants 1 and 2 (THA)
	ISO 45001:2018 Health and safety of employees	<ul style="list-style-type: none"> • Peine (GER)
	OHSAS 18001:2007 Health and safety of employees	<ul style="list-style-type: none"> • Tianjin (CHI) • Trezzano Rosa (ITA) • Pantex Sulmona (ITA) • Norrköping (SWE)
	ISO 50001:2011 Energy Management	<ul style="list-style-type: none"> • Peine (GER)
	Oeko Tex Confidence in fabrics	<ul style="list-style-type: none"> • Peine (GER) • Trezzano Rosa (ITA)
	Green Label (ISO 14024 Type 1 Ecolabel) Sustainable products	<ul style="list-style-type: none"> • FitesaCNC Plant 2 (THA)

“To ensure our customers have access to the same products, with the same quality, process standardization is a priority of our management and closely monitored.”

JOÃO GUEDES CORPORATE QA AND PROCESS IMPROVEMENT MANAGER

5

CHAPTER

RESPONSIBILITY

Sustainability

Global Compact and SDGs

Suppliers

Efficient use of materials

Energy

Emissions

Effluents

Solid waste

Healthy and safety

Social investment

Destination of plastics

Sustainability

Sustainability is one of our Company Drives permeating all our processes; from products' design, material procurement and manufacturing and in-house recycling of generated waste. We promote conscientious handling of resources and believe compliance with environmental regulation is the minimum standard to be pursued and our locations work jointly with local authorities to enhance the sustainability of our operations.

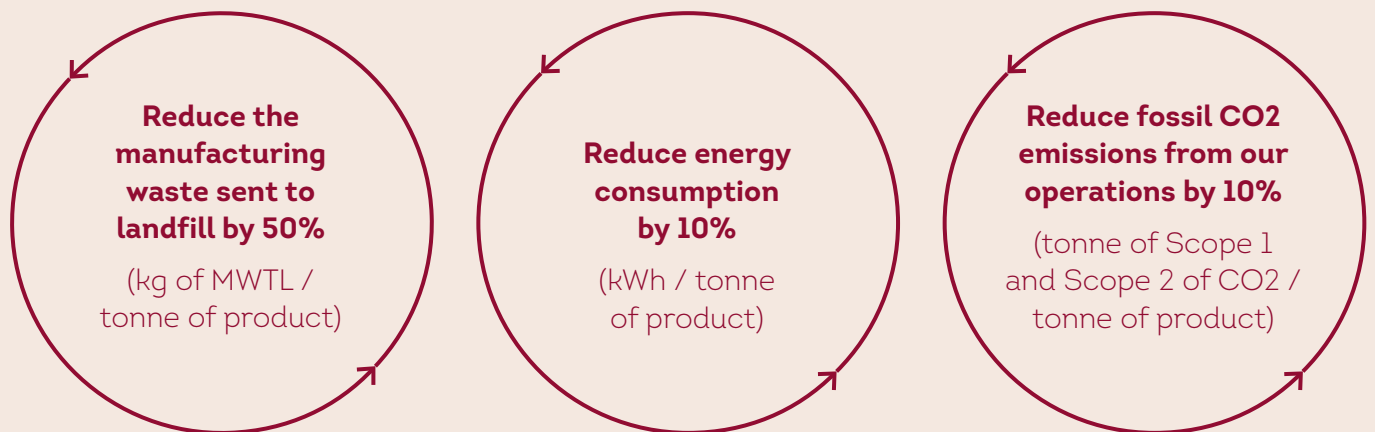
With solutions containing up to 100% renewable source content, we enable our customers to increase the environment-friendly content of end user products. We are committed to investing globally in research, sourcing and testing to commercialize new sustainable products.

The Fitesa Management System is similarly aligned with focus on economic, environmental and social

sustainable responsibilities and further strengthened by our Sustainability Policy.

- **Economic Responsibility:** we are committed to achieving long-term vitality while adding value for our stakeholders (customers, suppliers, investors, employees, consumers and our communities).
- **Environmental Responsibility:** we champion efforts to reduce our impact on the environment and find solutions to preserve resources for future generations.
- **Social Responsibility:** we are committed to operating with the highest standards of integrity and ethics in everything we do. Fitesa strives to treat all equally and with respect.

OUR SUSTAINABILITY GOALS FOR 2025



Global Compact and SDGs

GRI 102-12

On April 5, 2019 Fitesa joined the UN Global Compact, an voluntary initiative encouraging companies to adopt corporate social responsibility and sustainability policies through the adoption of ten principles related to the area of human rights, labor, the environment and anti-corruption.

These practices are applied globally in all regions in which we operate. Adherence to the Global Compact was a joint decision involving our Board of Directors and Executives Officers and was adopted by our employees.

After joining the initiative, we implemented the UN's Sustainable Development Goals (SDGs) as a link to our sustainable efforts.

The purpose of SDGs is to be a guiding set of national policies that encourages companies around the world towards goals such as poverty eradication, fighting climate change and the preservation of natural resources. The SDGs bring to nations and humanity as a whole the commitments undertaken by companies in the Global Compact.



Suppliers

GRI 102-9

The consideration to the social and environmental impact of our business starts even before our operation: *in the supply chain itself*. Fitesa is committed to the highest standards of integrity in business in line with the best international practices. The development and growth of our business is linked to lasting relationships in our supply chain. Those relationships are based on mutual trust and alignment on ethical and compliance practices.

As a multinational company, we work with an immense variety of suppliers, dispersed all over the globe. We ensure we keep an active and honest relationship with our vendors and we expect our vendors to follow our Compliance Laws and Ethical Standards which include,

among other topics, the elimination of child labor, forced labor and discrimination, the health and safety of employees, freedom of association and environment protection. We focus on a transparent approach to sourcing by encouraging bidding by any interested supplier in an effort to procure in a fair, diverse manner.

Through our local purchasing departments, we negotiate raw material that are indispensable to our processes, the proper maintenance of our facilities and day-to-day operations. We also employ a global Procurement Department which work with long-term suppliers on critical raw materials, equipment procurement and sourcing of company-wide specific raw materials at cost competitive rates.

“The development and growth of our business is linked to lasting relationships in our supply chain.”

LUIZ DA POIAN

GLOBAL PROCUREMENT

Efficient use of materials

GRI 103-1 / 103-2 / 103-3 / 301-1 / 301-2

Most of our nonwovens are manufactured from polymers that are derived from non-renewable fossil fuels sources, such as natural gas and petroleum. In order to contribute to the mitigation of the environmental impacts from our industry, we seek to reduce the consumption of these raw materials by developing renewable-source and recycled polymers and using more efficient processes that reduce the amount of waste from the manufacturing process.

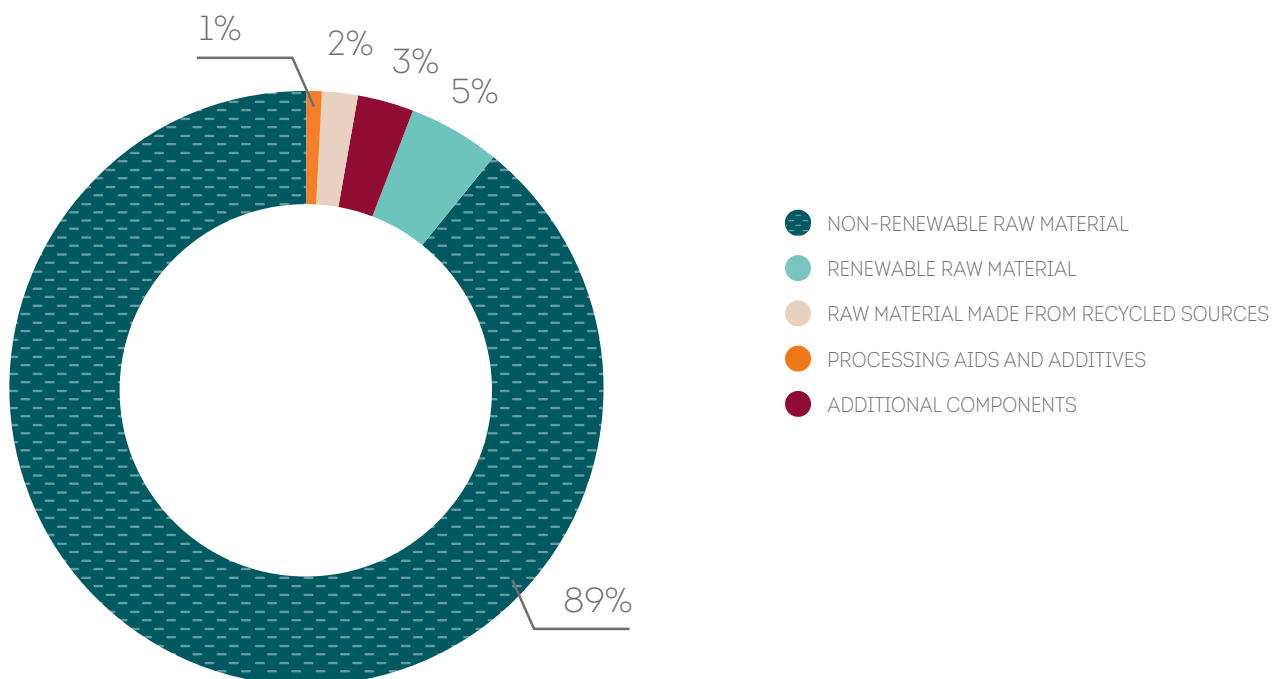
In an on-going effort to find a viable alternative to these non-renewable sources, Fitesa has focused efforts on innovation and products that are made from renewable content, such as sugar cane or corn (learn more on page 45).

In 2019, we used 383.5 thousand tonnes of materials to produce our nonwovens, a value 8.6% higher than the previous year. However, when we consider the increase in our production during the year, we reduced the relative consumption of materials in our operation by 4%.

RATIO BETWEEN THE WEIGHT OF MATERIALS AND THE WEIGHT OF THE PRODUCT PRODUCED (TONNE/TONNE QI)

2017	2018	2019
1.11	1.14	1.09

PERCENTAGE OF MATERIALS BY SOURCE

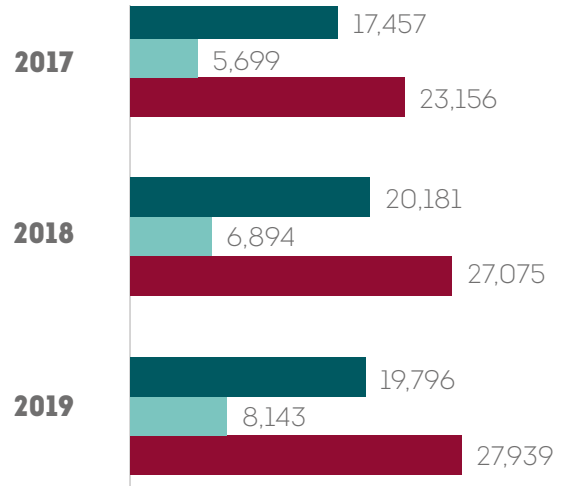


CONSUMPTION OF RECYCLED AND RENEWABLE RAW MATERIALS (TONNES)*

Year after year, we have increased the consumption of raw material from renewable and recycled sources in our processes, following the global increasing demand for more sustainable options.

- RENEWABLE RAW MATERIAL
- RAW MATERIAL MADE FROM RECYCLED SOURCES
- TOTAL

* The volume of materials recycled internally is not counted as raw material from recycled sources.



RECYCLING OF WASTE FROM THE PRODUCTION PROCESS



Through these actions, we contribute to SDG 12 – Responsible Consumption and Production.

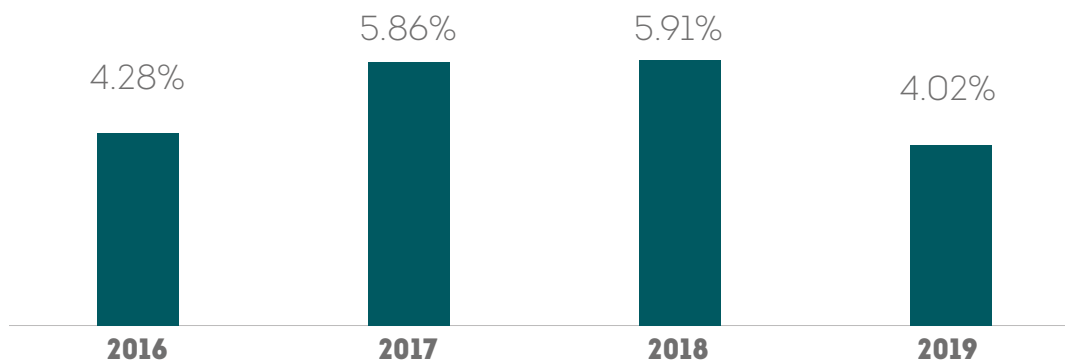
In order to improve our material efficiency, most of our factories have the ability to recycle its production waste, making it possible to achieve very low selling and disposal rates in raw material output.

To track the progress made by our facilities globally, we monitor the percent of our raw material that is not handled internally. This is recorded and evaluated monthly as a key performance indicator called, Scrap Sales Percent. During 2019, Fitesa’s global scrap sales percent decreased by 1.89 percentage points and was the lowest recorded percentage over the last four consecutive years.

Since our ability to internally recycle certain products is still limited, the scrap sales percentage number becomes dependent on our sales portfolio during the year. Similarly, it can be difficult to source external recyclers for scrap of certain products, which in turn negatively impacts the amount of waste to landfill (discussed in more detail on page 59).

Our ability to recycle combined with finding external recycling partners are focus areas for reaching our 2025 goal referring to waste sent to landfill (learn more on page 59). As evidenced by the datum, Fitesa is progressing with internal and external recycling to overall reduce waste to landfill and positively impact our environment.

SCRAP SALES (%)



Energy

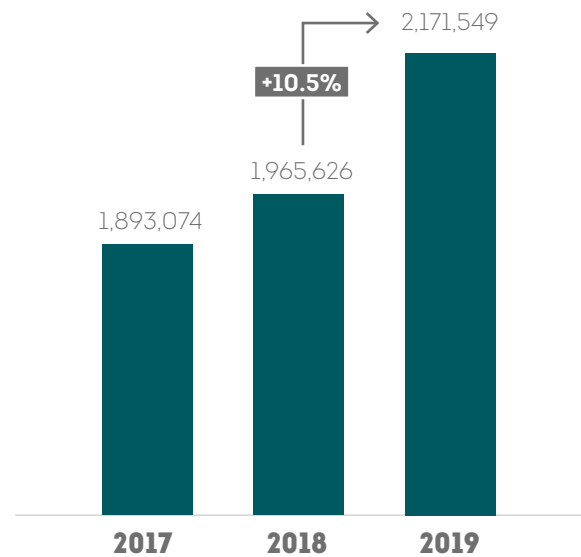
GRI 103-1 / 103-2 / 103-3 / 302-1 / 302-3 / 302-4

One of the leading environmental impacts caused by our production process is the energy consumption in our facilities and the subsequent emission of CO₂ into the atmosphere. As a result, our power consumption management strives to cut down the use of polluting fuels, making our operations more efficient and replacing them with clean sources.

All of our facilities have representatives on the Energy Committee, which serves as an opportunity to exchange knowledge and best practices.

In 2019, we consumed 2.2 million GJ of energy in our operations, a value 10.5% higher than that recorded in 2018. When comparing the value to the increase in our production, however, we recorded a 2% reduction in the relative consumption between 2018 and 2019. Thus, we continue to move towards our energy efficiency target for 2025.

TOTAL ENERGY CONSUMPTION (GJ)



RATIO BETWEEN ENERGY CONSUMPTION AND THE WEIGHT OF THE PRODUCT PRODUCED (GJ/TONNE QI)

2017	2018	2019
6.278	6.324	6.196



GOAL FOR 2025

Reduce energy consumption by 10% (kWh / tonne of product)*

* based on 2017 values

ENERGY CONSUMPTION BY REGION (GJ/TONNE OF QI)

	2017	2018	2019
North America	6.390	6.569	6.193
South América	5.810	6.007	6.138
Eurasia	6.458	6.346	6.219

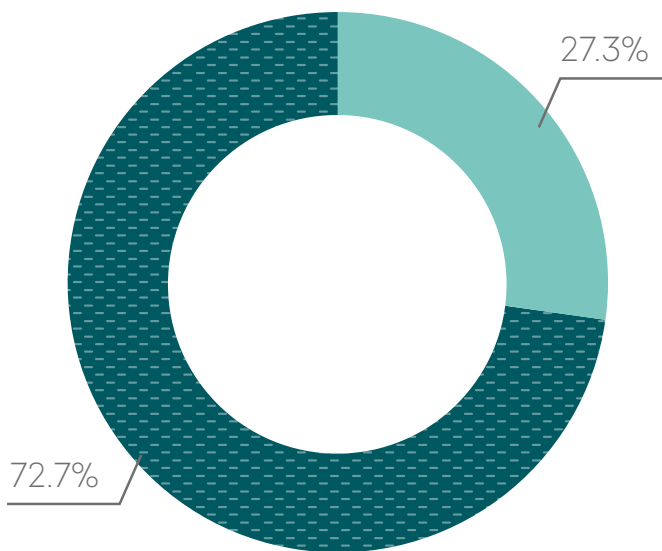


Through these actions, we contribute to SDG 7 - Affordable and Clean Energy

Electricity represents 72.7% of the amount of energy consumed in the year, while 27.3% came from natural gas. Through a series of energy efficiency initiatives, we reduced our consumption of natural gas by 3,144.5 GJ and electricity by 5,221.4 GJ at our plants.

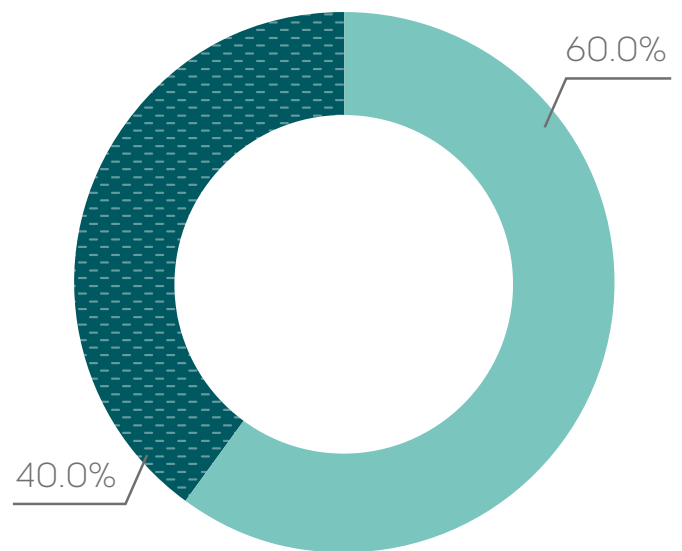
Of the total amount of energy consumed in 2019, 40.0% came from renewable electric energy. The figure is 2.6 percentage points higher than in 2018, mitigating the impact of our facilities on the environment.

CONSUMPTION BY ENERGY SOURCE



- NATURAL GAS
- ELECTRICITY

CONSUMPTION BY TYPE OF ENERGY



- RENEWABLE ENERGY
- NON-RENEWABLE ENERGY

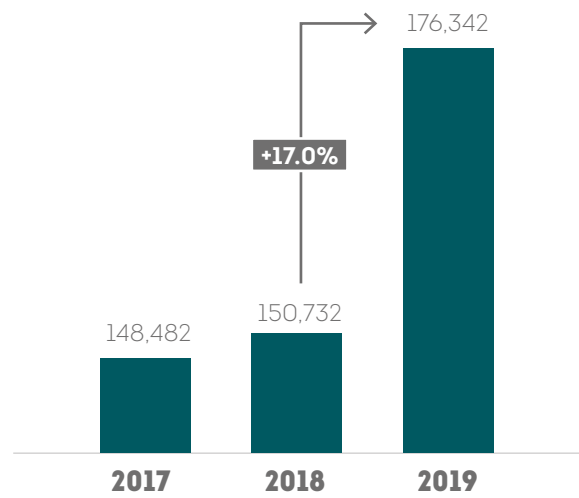
Emissions

GRI 103-1 / 103-2 / 103-3 / 305-1 / 305-2 / 305-4 / 305-5

Fitesa’s commitment to reduction of our carbon footprint continues and will remain a dedicated part of our Sustainable efforts.

In 2019, 176,341.75 tCO₂ were emitted, a value 17.0% higher than that recorded in 2018. When comparing our emissions to the expansion of our production throughout 2019, however, the increase was only 4%.

TOTAL CO₂ EMISSIONS (tCO₂e)



RATIO BETWEEN CO₂ EMISSIONS AND THE WEIGHT OF THE PRODUCT PRODUCED (tCO₂/TONNE QI)

2017	2018	2019
0.49	0.48	0.50

Fitesa remains committed to finding opportunities to supply our production facilities with cleaner energy sources.



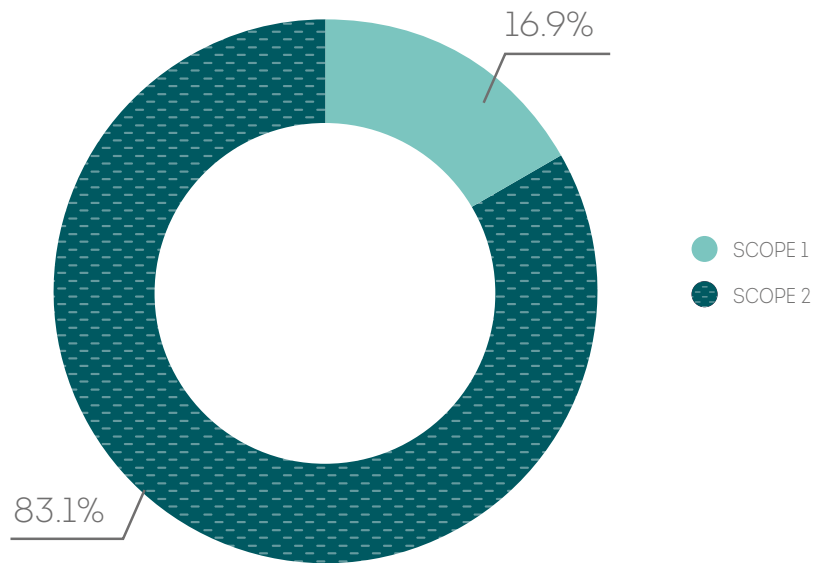
Through these actions, we contribute to SDG 13 – Climate Action

Our emissions are accounted for according to the GHG Protocol standard and we use DEFRA 2018 for our conversion factors. The primary emissions from our operations are CO₂ and the indicator is normalized for production.

Throughout 2019, we evaluated the necessary changes and initiated implementation plans to align with our 2025 sustainability goal. In this regard, five of our facilities are already seeing improvements in their emissions; while the remaining are focused on achieving improvements as we progress toward our 2025 goal.

The main emissions source in our operation is from burning of fuel to generate electricity used in our factories (Scope 2), being responsible for 83.1% of the CO₂ that we emit into the atmosphere. Burning fuels in our own operation (Scope 1), was responsible for 16.9% of our emissions.

CO₂ EMISSIONS BY ENERGY SOURCE



GOAL FOR 2025

Reduce fossil CO₂ emissions from our operations by 10% (tonne of Scope 1 and Scope 2 of CO₂ / tonne of product)*

* based on 2017 values

Effluents

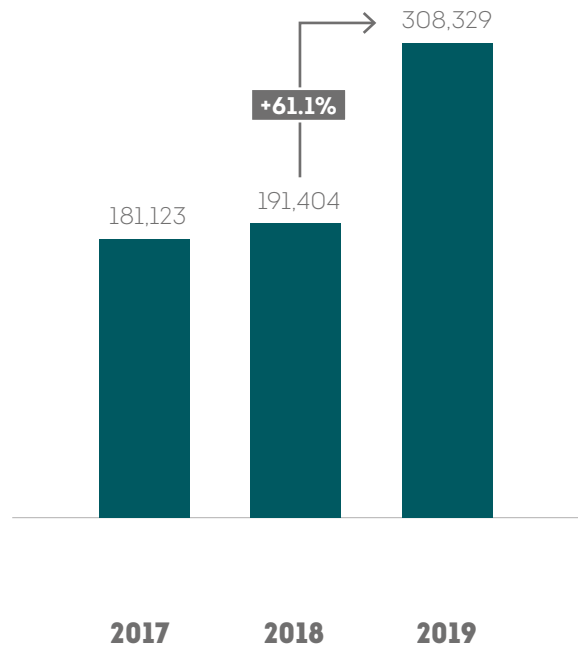
GRI 103-1 / 103-2 / 103-3 / 306-1 / 306-3

Effluent generation in our facilities is small and does not represent a significant environmental impact. Our processes and raw materials are mostly in the solid matter state; therefore, we have a very small risk of spills at all of our facilities. In 2019, there were zero cases of significant spills that effected the environment.

Most of the water consumed in our facilities is used in a closed loop, with the purpose of cooling equipment, and is not discarded, but returns to the process to be reused in other steps. In the European region, 8.9 thousand m3 of wastewater was used by other industries.

In 2019, total water discharge represented 308.3 thousand m3, an increase of 61.1% over the previous year. The main reason for the increase was the inclusion of FitesaCNC data in the calculation and a change in the production processes carried out in China and Sweden.

TOTAL WATER DISCHARGE (M³)



LOCAL ACTIONS

Fitesa Mexico and Peru reuse water previously employed in our production process to irrigate their property grounds.



Front view of Fitesa in Peru, Lurigancho.



Front view of Fitesa in Mexico, San Jose Iturbide.

Solid waste

GRI 103-1 / 103-2 / 103-3 / 306-2

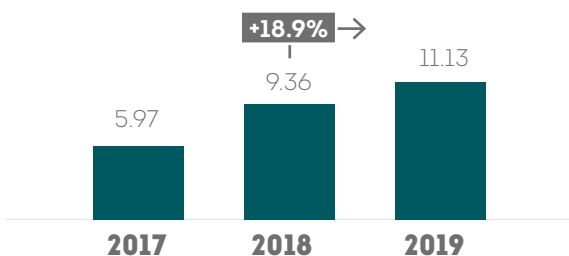
For a sustainable company, the reduction and management of generated waste is of key importance. Reduce, reuse, recycle is the order of priority, with the primary goal to reuse and recycle waste material internally. Each local facility manages this by separating different waste types into well-defined fractions.

These fractions can then be managed by our external recycling or waste management companies, and they are presented in this report as the classes: Hazardous vs Non-Hazardous and sub-classes of Landfill waste, Reused waste, Recycled waste, Incinerated waste, Recovery waste and Composting waste.

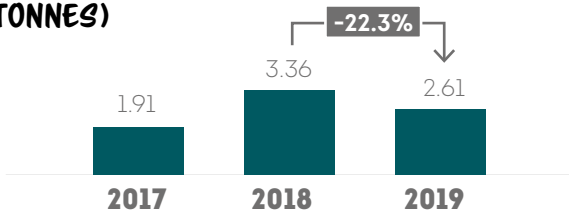
During 2019, globally we generated a total of 11.1 thousand tonnes of waste and sent 2.6 thousand tonnes to landfill. As classified by local law, 5.9% was deemed Hazardous and 94.1% Non-Hazardous. We have reduced the amount of hazardous waste a total of 42.2% from our baseline year to end of 2019.

Although our total waste generated shows an increase year over year, our ratio between the total weight of waste generated versus the total weight of product produced remained relatively flat at 0.03.

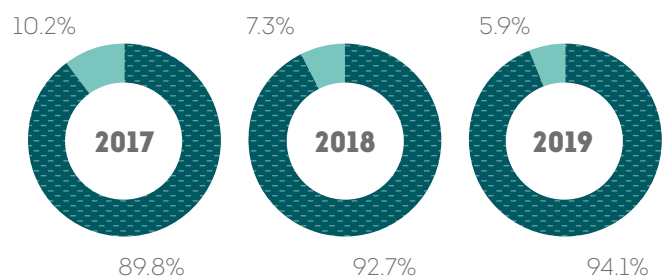
TOTAL WASTE (K TONNES)



WASTE SENT TO LANDFILL (K TONNES)



PROPORTION BETWEEN THE TYPES OF WASTE GENERATED



- HAZARDOUS WASTE
- NON-HAZARDOUS WASTE

RATIO BETWEEN THE TOTAL WEIGHT OF WASTE GENERATED VERSUS THE WEIGHT OF THE PRODUCT PRODUCED (TONNE QI)

	2017	2018	2019
	0.02	0.03	0.03

MANUFACTURING WASTE SENT TO LANDFILL (THOUSAND OF TONNES)

	2017	2018	2019
North America	1,684	3,043	2,465
South America	0.217	0.304	0.122
Eurasia	0.008	0.013	0.021

Within the waste sub-classes, 91.75% of hazardous waste was either reused, recycled, recovered, or incinerated by our facilities. For non-hazardous waste, the volume sent to landfill fell 13.4 percentage points by way of exponential growth in the reusing waste and increases in the amount to recycle, recovery and composting.

**DISPOSAL OF HAZARDOUS WASTE
(% PER SUBCLASS)**

	2017	2018	2019
Landfill	9.70%	12.62%	8.24%
Reuse	0.40%	0.43%	0.00%
Recycling	2.10%	3.28%	8.17%
Incineration	86.60%	79.46%	77.67%
Recovery	1.20%	4.22%	5.91%
Composting	0.00%	0.00%	0.00%

**DISPOSAL OF NON-HAZARDOUS WASTE
(% PER SUBCLASS)**

	2017	2018	2019
Landfill	33.40%	37.73%	24.37%
Reuse	0.00%	0.37%	10.20%
Recycling	39.69%	48.50%	51.60%
Incineration	17.39%	7.19%	5.30%
Recovery	8.70%	5.84%	8.12%
Composting	1.00%	0.36%	0.40%



Through these actions, we contribute to SDG 12 – Responsible Consumption and Production.

Overall in 2019 we sent 7.44 kg of manufacturing waste to landfill for every tonne of product. Although the value is 17% higher than that recorded in 2017, it is 31% lower than that recorded in 2018, signaling progress towards our sustainability goal for 2025.

From a waste perspective, the greatest impact to the environment happens post-consumer use of products manufactured using our material. Learn more about this on page 66 of this report.

RELATIONSHIP BETWEEN THE WEIGHT OF THE WASTE GENERATED AND THE WEIGHT OF THE PRODUCT PRODUCED (KG / TONNE QI)

	2017	2018	2019
	6.33	10.81	7.44



GOAL FOR 2025

Reduce the manufacturing waste sent to landfill by 50% (kg of MWTL / tonne of product)*

* based on 2017 values

Health and safety

GRI 103-1 / 103-2 / 103-3 / 403-1 / 403-2 / 403-4 / 403-5 / 403-6 / 403-8 / 403-9

At Fitesa, the safety of our employees is a priority. For more than 4 years Fitesa has focused on use of Behavior Based Safety programs in all of our facilities. Our newest facilities in Thailand, FitesaCNC, will be evaluated and employees trained according to our standards.

Through these programs, we challenge individuals to take responsibility for their own health and safety and the safety of those around them by determining potentially risky situations and being proactive in the avoidance of those situations. Our Health and Safety management systems cover 100% of employees and contractors in our operation.

Furthermore, we encourage reporting accidents and near misses, utilizing one of our communication channels, reporting to a safety coordinator which are located at every facility, or to an immediate manager. The reported accidents and near miss reports allow us to be more proactive in dealing with unsafe working styles, implement improvement initiatives, and get rid of potential risks in our operations.

Each Fitesa facility have procedures in place to record, manage and investigate HS&E incidents. Following investigations, safety alerts are shared with all facilities, creating a learning and evolving atmosphere. All facilities also have a systematic risk assessment process that includes risk/hazards evaluation for routine and non-routine tasks. Based on this, we prioritize risks and generate action plans.

Fitesa believes that Health & Safety training is one of the keys to achieve a positive safety culture. Every employee is trained during on-boarding as a new employee, our facilities have safety briefings monthly that addresses topics relevant to that month and we encourage daily communication from line leaders or managers at shift change.

To maintain a strong Health & Safety performance, Fitesa has created several corporate HSE-systems to populate the fourth tier of the strategic pyramid for Safety- preventive / predictive systems (learn more on page 25). These must be implemented at each site.

- Safety Risk assessment;
- Lock Out Tag Out;
- General PPE requirements;
- Specific guidelines for risk areas; and
- Fire protection systems.

Beyond the reporting within Fitesa, our facilities follow local legislations, such as OSHA 300 / 301 log management for documenting and reporting of recordable accidents and we follow their recommendations for recertification on forklift operation (every 3 years), crane operation (every 5 years), and boom and scissor lift training (annually).

We have Health and Safety Committees in all of our factories, with the exception Pantex Mena (UAE), which meet regularly to discuss topics and evaluate policy effectiveness. The HS&E Committee makes recommendations for policy improvements which are then evaluated by management and when agreed, implemented as new global standards. In total, 162 employees from all over the world participate in these groups, 23.5% more than in the previous year.

SAFETY PROGRAMS MENTALITIES



THINK BEFORE WE DO



NO ACTIVITIES IS SO URGENT THAT IT CANNOT BE PERFORMED SAFETY



ALL INJURIES ARE AVOIDABLE

PROGRESS IN HEALTH AND SAFETY DURING 2019

Throughout 2019, we invested in improving our security policies, including:

- reissue of the lockout tagout policy with more stringent instructions for employees who may exposure with hazardous energy during service or maintenance work;
- crane inspection frequency was increased and additional points of inspection were added; and
- machine safeguarding global standards were re-implemented to bring all new facilities on-board to Fitesa standards.

Investment during 2019 in machine safeguarding included studies and implementation of new procedures for elimination of pinch points, as well as, installation of additional safeguarding devices such as barriers, interlocks and light curtains.

As a result of the programs and practices implemented at our facilities, at the close of 2019 we recorded Lost Day Rate of 3.79, a reduction of 85.3% compared to the previous year. The Recordable Incident Rate was 0.88, remaining at a level similar to that of the previous year.

HEALTH AND SAFETY INDICATORS

	2015	2016	2017	2018	2019
Recordable Incident Rate	1.11	1.23	0.75	0.87	0.88
Lost Days Rate	6.02	25.88	14.23	27.04	3.79

In total, we had 18 recordable accidents, related to:

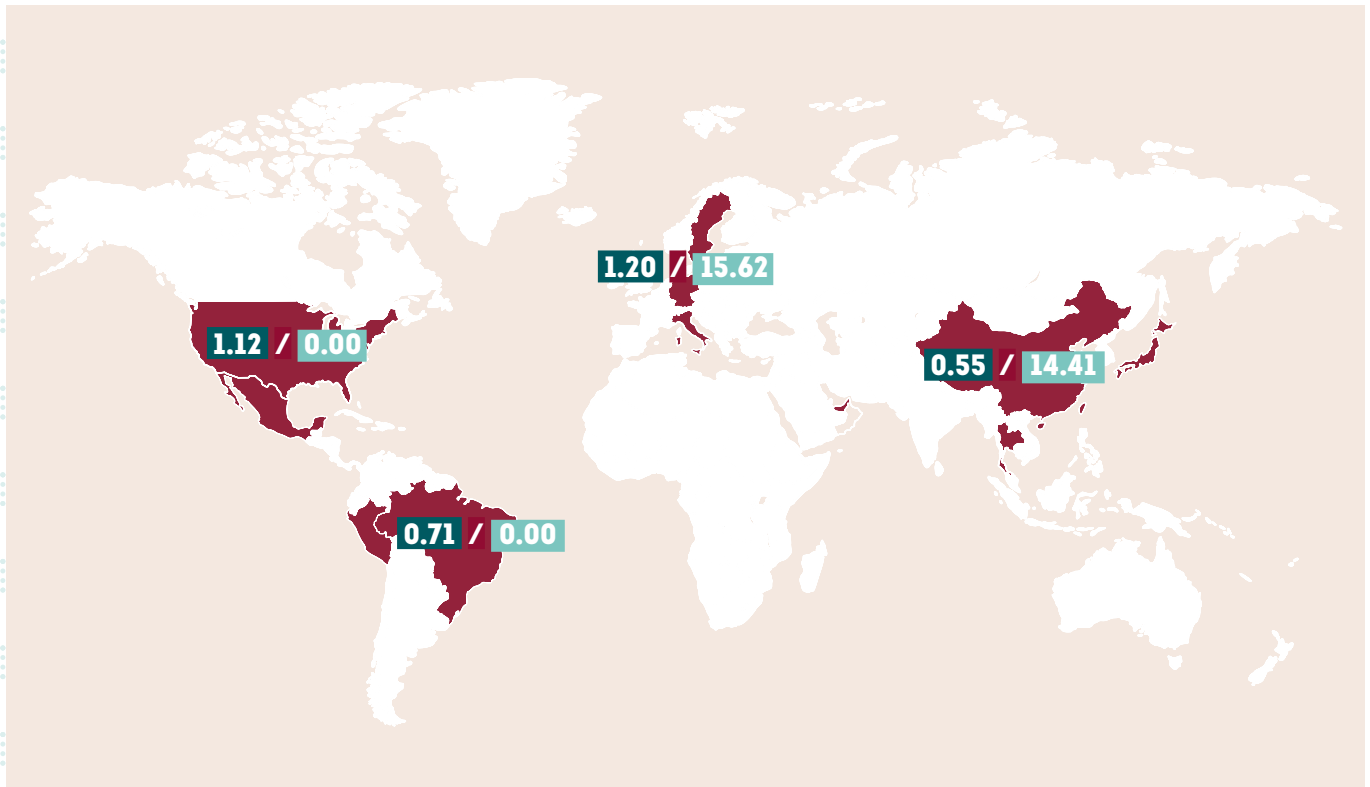
- lack of safety awareness;
- interaction with moving parts / sharp devices;
- poor risk assessment;
- rushing; and
- machine safeguarding failure.

In response to these accidents, we focused on:

- accident analysis and action plan implementation;
- machine safeguarding improvements;
- safety walks deployment;
- new safety procedures and standards implementation;
- safety reinforcement training; and
- risk mitigation.



HEALTH AND SAFETY INDICATORS



● RECORDABLE INCIDENT RATE
● LOST DAYS RATE

EMPLOYEE WELL-BEING

Beyond safety at our facilities, Fitesa is focused on overall employee health and wellness. Over the last few years, great strides have been made with resource availability, communication of medical health-care services and promotion of on-site services to assist in the overall wellness of our employees.

In addition to the benefits described on page 34, some local facilities have implemented, at no charge to the employee, additional well-being options such as:

- Food Service & Vending with healthy choice options
- Vaccination Campaigns
- Mobile Mammogram Screenings
- Health Fairs (including basic screenings and blood panel analysis)
- Discount to local fitness facilities
- Occupational Therapy
- On-Site Nurse Practitioner for non-emergency treatment

Social investment

GRI 102-48 / 201-1

At Fitesa, we are mindful of our responsibility to the communities where we operate and we seek to invest in organizations whose values and practices align with our own. As a multinational company, we understand the ability to be a positive influence on a large number of people across a wide range of cultures.

Therefore we focus on social investments in a systematic way: *global contributions and local contributions*. Philanthropic giving is guided by our holding company, Evora’s, strategic philanthropy policy; however, each operation has the autonomy to define their strategy for social investment based on the needs within their region.



Through these actions, we contribute to the above SDG.

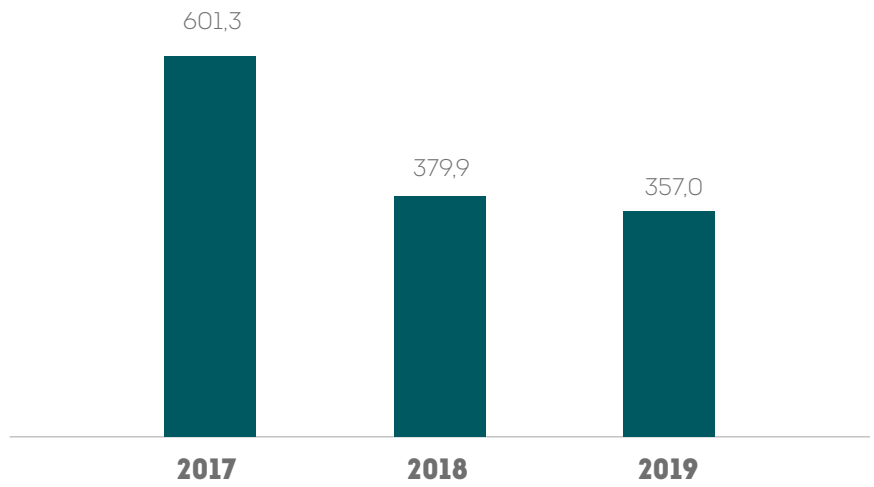
Global contributions are chosen at the corporate level and voted on by the Fitesa Board. Fitesa’s primary partner, the Ling Institute, is an organization founded by the Ling family whose primary goal is to contribute to the transformation of the Brazilian society through investment in education. Their work began in 1995, offering scholarship grants, and as of 2014, establishing a cultural center. In 2019, their activities evolved to encompass also health initiatives through support of implementation of an Oncology center. In 2019, Fitesa contributed \$350,000 USD to this partner.

Our local contributions are done as financial contributions, enrichment opportunities, volunteer hours and community outreach that are aligned with community’s needs. Traditionally, our Human Resource Departments and Plant Managers play a role in strategy for social investment.

- **Financial Contributions:** monetary contributions to non-profits (raised by employees voluntarily), local company monetary contributions to worthy causes (pre-approved by Fitesa Executive Team)
- **Enrichment Opportunities:** Occupational training, job creation, open house / family events
- **Volunteer Hours:** Food delivery programs for shut ins community residence, Reforestation events, Community clean up days
- **Community Outreach:** Food drives, Diaper donations, Clothing drives,


During 2019, Fitesa was globally involved in many social investments across the globe. These investments will help improve the overall future of the communities we operate and work toward a more sustainable future: we have invested approximately USD\$ 357,000 in nonprofit organizations, provided 119 hours for volunteering, donated more than 1.3 tonnes of food, 200 pieces of clothing and blankets and 100 wooden pallets; in addition to having participated in a reforestation project with more than 30 volunteers, planting approximately 1,500 trees in Rayong, Thailand.

SOCIAL INVESTMENTS* (IN THOUSANDS OF USD\$)




* The figure for 2018 was corrected in relation to that reported in the previous year (from 29,9 thousand to 379,9 thousand). The previous report omitted the amount of global contributions.

EXAMPLES OF SOCIAL INVESTMENTS

- 


Our FITESACNC operation participated in a reforestation project that allowed FitesaCNC employee volunteers to plant trees and participated in public clean up days in various areas of the city.


- 


FITESA SWEDEN made a financial contribution to help fund treatment of childhood cancer.


- 

FITESA COSMÓPOLIS employees collected and donated both food and clothing to local charity organizations.


- 

FITESA SIMPSONVILLE employees volunteered 36 hours delivering hot meals to community shut-ins through Meals On Wheels.


- 

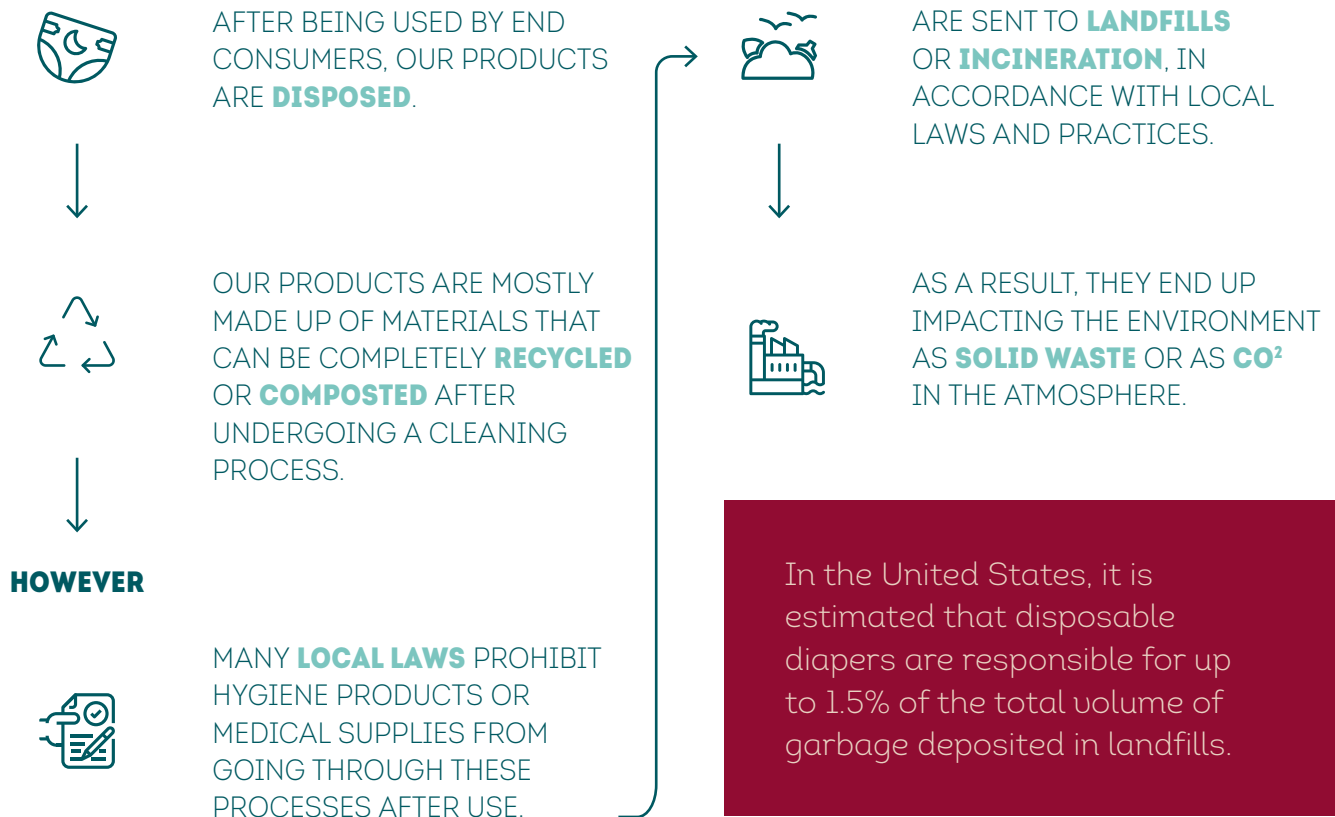
FITESA GREEN BAY employees donated materials to 5 different organizations to make blankets and pillows.



Destination of plastics

One of the major environmental impacts from our business comes after our nonwovens have left the factory at the end of their life cycle, when they are discarded by the end user.

END OF LIFE OF NONWOVENS



The appropriate disposal of plastics has become an increasingly discussed issue around the world. At Fitesa, we believe that the optimal way to take care of nonwovens' waste is by recycling it. After multiple reuses of the material, when it loses its value, it can be sent to incineration for energy production, often replacing fossil fuel energy sources.

The way to achieve this will likely vary from country to country but ultimately it must emanate from a collaboration between industry, lawmakers and the society at large.

In some countries, robust systems for managing plastics waste are already in place, while in other countries the awareness is just starting to rise. Fitesa believes it is our duty to be an active party in this important journey.

We will continue to support initiatives like UN Global Compact and we will challenge other customers, suppliers and competitors, as well as, employees and community businesses we support to take active roles for a more sustainable future.





ATTACHMENTS

CHAPTER

GRI Standards Content Index

Credits

Safe Harbor Statement

GRI Standards Content Index

GRI 102-55

UNIVERSAL STANDARDS

REFERENCE (PG.)

GENERAL DISCLOSURES

Organizational Profile

102-1	Name of the organization	Pg. 5
102-2	Primary brands, products, and services	Pg. 13 and 39
102-3	Location of the organization's headquarters	Pg. 13
102-4	Number of countries where the organization operates	Pg. 13
102-5	Nature of ownership and legal form	Pg. 5
102-6	Markets served	Pg. 18
102-7	Scale of the organization	Pg. 13
102-8	Information on employees and other workers	Pg. 31
102-9	Supply chain	Pg. 51
102-10	Significant changes to the organization and its supply chain	Pg. 10
102-11	Precautionary Principle or approach	Pg. 19
102-12	External initiatives	Pg. 50
102-13	Membership of associations	Pg. 75

Strategy

102-14	Statement from senior decision-maker	Pg. 8
--------	--------------------------------------	-------

Ethics and Integrity

102-16	Values, principles, standards, and norms of behavior	Pg. 13 and 21
--------	------------------------------------------------------	---------------

UNIVERSAL STANDARDS**REFERENCE (PG.)****GENERAL DISCLOSURES**

102-17	A description of internal and external mechanisms seeking advice about ethical and lawful behavior	Pg. 21
--------	----------------------------------------------------------------------------------------------------	--------

Governance

102-18	Governance structure	Pg. 19
--------	----------------------	--------

102-19	Delegating authority	Pg. 19
--------	----------------------	--------

102-20	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics and whether post holders report directly to the highest governance body.	Pg. 19
--------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

102-21	Consulting stakeholders on economic, environmental, and social topics	Pg. 44
--------	-----------------------------------------------------------------------	--------

102-22	Composition of the highest governance body and its committees	Pg. 19
--------	---------------------------------------------------------------	--------

102-26	Role of highest governance body in setting purpose, values, and strategy	Pg. 19
--------	--------------------------------------------------------------------------	--------

102-29	Highest governance body's role in identifying and managing economic, environmental, and social topics	Pg. 19
--------	-------------------------------------------------------------------------------------------------------	--------

102-30	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	Pg. 19
--------	---------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

102-33	Process for communicating critical concerns to the highest governance body	Pg. 19 and 46
--------	----------------------------------------------------------------------------	---------------

102-34	Total number and nature of critical concerns that were communicated to the highest governance body and mechanism(s) used to address and resolve them	Pg. 19
--------	------------------------------------------------------------------------------------------------------------------------------------------------------	--------

Stakeholder Engagement

102-40	List of stakeholder groups	Pg. 16
--------	----------------------------	--------

102-41	Collective bargaining agreements	Pg. 31
--------	----------------------------------	--------

102-42	Identifying and selecting stakeholders	Pg. 16
--------	----------------------------------------	--------

102-43	Approach to stakeholder engagement	Pg. 16
--------	------------------------------------	--------

102-44	Key topics and concerns raised	Pg. 16
--------	--------------------------------	--------

Reporting Practice

102-45	Entities included in the consolidated financial statements	Pg. 5
--------	------------------------------------------------------------	-------

102-46	Defining report content and topic Boundaries	Pg. 5
--------	----------------------------------------------	-------

UNIVERSAL STANDARDS

REFERENCE (PG.)

GENERAL DISCLOSURES

102-47	List of material topics	Pg. 5
102-48	Restatements of information	Pg. 64
102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	Pg. 5
102-50	Reporting period	Pg. 5
102-51	Date of most recent report	Pg. 5
102-52	Reporting cycle	Pg. 5
102-53	Contact point for questions regarding the report	Pg. 75
102-54	Claims of reporting in accordance with the GRI Standards	Pg. 5
102-55	GRI Content Index	Pg. 69
102-56	External assurance	Pg. 5

Management Approach

103-1	Explanation of the material topic and its Boundary	Pg. 5, 21, 26, 31, 35, 46, 52, 54, 56, 58, 59 and 61
103-2	The management approach and its components	Pg. 5, 21, 26, 31, 35, 46, 52, 54, 56, 58, 59 and 61
103-3	Evaluation of the management approach	Pg. 5, 21, 26, 31, 35, 52, 54, 56, 58, 59 and 61

TOPIC-SPECIFIC STANDARDS

REFERENCE (PG.)

ECONOMIC PERFORMANCE**Economic Performance**

201-1	Direct economic value generated and distributed	Pg. 26 and 64
-------	-------------------------------------------------	---------------

Anti-corruption

205-2	Communication and training about anti-corruption policies and procedures	Pg. 21
-------	--------------------------------------------------------------------------	--------

ENVIRONMENTAL DISCLOSURES**Materials**

301-1	Materials used by weight or volume	Pg. 52
301-2	Recycled input materials used	Pg. 52

Energy

302-1	Energy consumption within the organization	Pg. 54
302-3	Energy intensity	Pg. 54
302-4	Reduction of energy consumption	Pg. 54

Emissions

305-1	Direct (Scope 1) GHG emissions	Pg. 56
305-2	Energy indirect (Scope 2) GHG emissions	Pg. 56
305-4	GHG emissions intensity	Pg. 56
305-5	Reduction of GHG emissions	Pg. 56

Effluents and Waste

306-1	Water discharge by quality and destination	Pg. 58
306-2	Waste by type and disposal method	Pg. 59
306-3	Significant spills	Pg. 58

TOPIC-SPECIFIC STANDARDS

REFERENCE (PG.)

SOCIAL DISCLOSURES**Employment**

401-1	New employee hires and employee turnover	Pg. 31
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg. 31

Occupational Health and Safety

403-1	Occupational health and safety management system	Pg. 61
403-2	Hazard identification, risk assessment, and incident investigation	Pg. 61
403-4	Worker participation, consultation, and communication on occupational health and safety	Pg. 61
403-5	Worker training on occupational health and safety	Pg. 61
403-6	Promotion of worker health	Pg. 61
403-8	Workers covered by an occupational health and safety management system	Pg. 61
403-9	Work-related injuries	Pg. 61

Training and Education

404-1	Average hours of training per year per employee, by gender and employee category	Pg. 35
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	Pg. 35

Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees with percentage of individuals by gender, age group, minority or vulnerable groups and other indicators of diversity	Pg. 31
-------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

Customer Health and Safety

416-1	Assessment of customer health and safety impacts of product and service categories	Pg. 46
-------	------------------------------------------------------------------------------------	--------

Safe Harbor Statement

Fitesa is interested in hearing from you. If you have any feedback or suggestions related to our reporting data or methodology we encourage you to contact us via email at fitesamarketing@fitesa.com.

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

These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

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

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

Credits

GRI 102-53 / 102-13

HEADQUARTERS

Fitesa Gravataí
Rua Paul Zivi, 80- Distrito Industrial
Gravataí, RS, Brazil 94045-430
Telephone: +55 (51) 3489 7000

EXECUTIVE OFFICE

Fitesa Simpsonville
840 South East Main Street
Simpsonville, SC, USA 29681
Telephone: +1 864 967 5600



COORDINATION

Mariana Mynarski | Global Marketing Manager
Anders Fogelberg | Global Director of QA, HS&E, MS and Process Improvement
Rosa Specht | Global HS&E Coordinator
Kimberly Broadway | Sr Risk & Compliance Administrator, Marketing Support

EDITORIAL PROJECT, CONTENT WRITING, GRI CONSULTING AND TRANSLATION

RICCA Sustentabilidade

GRAPHIC DESIGN, ILLUSTRATIONS AND LAYOUT

RICCA Sustentabilidade

PHOTOS

Fitesa's Image Bank

CONTACT

fitesamarketing@fitesa.com

Fitesa is proud member of European Disposables and Nonwovens Association (EDANA), Brazilian Association of Nonwoven and Technical Textiles (ABINT) and Association of the Nonwovens Fabrics Industry (INDA).



